



U.S. House of Representatives

COMMITTEE ON ETHICS

## **INSTRUCTION GUIDE**

# **FINANCIAL DISCLOSURE STATEMENTS and PERIODIC TRANSACTION REPORTS**

**CALENDAR YEAR 2014**

FOR USE BY

**MEMBERS, CANDIDATES, OFFICERS, AND  
CERTAIN EMPLOYEES OF THE LEGISLATIVE BRANCH**

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# GENERAL INFORMATION

## INTRODUCTION

### Statutory Background

Title I of the Ethics in Government Act of 1978, as amended (5 U.S.C. app. 4 §§ 101-111) (EIGA) requires Members, officers, certain employees of the U.S. House of Representatives and related offices, and candidates for the House of Representatives to file Financial Disclosure Statements (FD Statements or Statements) with the Clerk of the House of Representatives. In addition, the Stop Trading on Congressional Knowledge Act (STOCK Act) amended the EIGA to add a requirement for Members, officers, and certain employees of the House to report certain securities transactions over \$1,000 within 30 days of notice of the transaction but in no case later than 45 days after the transaction. These STOCK Act filings are known as Periodic Transaction Reports (PTRs). The Committee on Ethics (Committee) administers the EIGA for the House.

### Electronic Filing System and Forms

There are two ways to complete both an FD Statement and a PTR: (1) by hand, using a pre-printed form, or (2) by using the electronic filing system. Copies of the paper forms can be obtained by visiting the Committee's Web site at [www.ethics.house.gov](http://www.ethics.house.gov) and clicking on the "Financial Disclosure" tab. The electronic filing system can be accessed by visiting <https://fd.house.gov>.

The Committee strongly encourages filers to use the electronic filing system for completing both FD Statements and PTRs. Utilizing the electronic filing system can significantly increase the accuracy of your FD Statement and PTRs. In addition, it should reduce some of the most common mistakes made by filers because it leads the filer through the process by asking for the required information. Filing information will need to be entered into the electronic filing system the first time a filer uses the electronic filing system. The system then will retain this information so that it may be retrieved by the filer for future filings. If you experience any difficulties with the electronic filing system, please call the Office of the Clerk at (202) 226-5200.

### Getting Assistance

The following instructions provide a detailed explanation of the disclosure requirements. This instruction booklet also contains a sample completed FD Statement and PTR for your reference immediately following these instructions beginning at page SF-1. Filers are encouraged to carefully read these instructions and refer to the sample form for examples of the correct way to disclose the most common types of entries. Any filer who has questions concerning the reporting requirements or how to fill out the FD Statement or PTR should call the Committee at (202) 225-7103.

Pursuant to its authority under 5 U.S.C. app. 4 § 106(b), the Committee has delegated to the Congressional Budget Office, Library of Congress, Architect of the Capitol, Government Publishing Office, and Capitol Police the responsibility of reviewing and certifying FD Statements and PTRs, and issuing extensions of time for filing, for their own employees. Employees of those agencies should contact their respective general counsel's offices with any questions about their financial disclosure obligations.

*It is the Committee's opinion that any case in which a filer believes there is an ambiguity in the reporting requirements should be resolved in favor of disclosure or the filer should request an advisory opinion from the Committee.*

Those who would like further information about standards of conduct that apply in the House may obtain the *House Ethics Manual* and advisory memoranda by contacting the Committee or by visiting the Committee's Web site at [www.ethics.house.gov](http://www.ethics.house.gov). Copies of the Committee's Rules are also available on the Web site.

### IMPORTANT

*If you believe you have received a notice from the Clerk of the House informing you that you are required to file an FD Statement or PTRs in error, DO NOT DISREGARD THE NOTICE. Please contact the Committee immediately, as only the Committee can relieve you of your filing obligation.*

## REPORTING CHANGES FOR 2014-2015

As the Committee announced last year, beginning in 2014, S Corporations must be disclosed in the same manner as all other privately-owned business, such as partnerships and limited liability companies. For more information, see the discussion starting on page 19. The change in guidance applies to PTRs filed in 2014 and to annual and termination FD Statements that report assets held in 2014 (which for annual filers will be due on May 15, 2015).

### WHO MUST FILE AND WHEN

#### Annual FD Statement Filers

The following individuals are required to file FD Statements on or before May 15.

**Members:** Every Member of the House of Representatives, Delegate to Congress, and the Resident Commissioner of Puerto Rico must file an FD Statement on or before May 15 of each calendar year.

**New Members:** New Members (*i.e.*, those sworn in between November 3, 2014, and April 15, 2015) must file on May 15. New Members must complete Schedules A, C, D, E, F, and J in the electronic filing system or a paper Form B.

**Officers and Employees of the Legislative Branch:** Officers and employees of the House must file if they are compensated at a certain pay rate established by the statute. Specifically, any House officer or employee who was compensated at or above 120 percent of the minimum pay for Executive Branch GS-15 (the "senior staff" rate) for at least 60 days in a calendar year must file an FD Statement on or before May 15 of the following calendar year, even if the employee is no longer paid at the senior staff rate. The rate triggering disclosure was \$120,749 in 2014 (In 2015, the rate is \$121,956). Committee staff can provide the rate for other years.

The triggering salary is based on the individual's "base rate of pay." It does not include: annuities paid by the United States, overtime payments, night differential payments, locality pay adjustments, or student loan repayment by the House. As a general rule, "lump sum payments" will not be considered in calculating an employee's compensation for reporting purposes. (*But see* the Committee's advisory memorandum of October 15, 1999, regarding inappropriate use of lump sum payments to avoid financial disclosure requirements.)

Temporary increases in pay that are effective for at least 60 days (two pay periods) in a calendar year may trigger the filing requirement. If, in any two pay periods during a calendar year (whether or not consecutive), an employee has a temporary increase in pay (such as a year-end bonus paid in November and December) which results in the *gross* pay for those two months exceeding 1/12th of the annual senior staff rate, that employee will be required to file an FD Statement. For 2014, the monthly senior staff rate was \$10,062 (The monthly rate for 2015 is \$10,163). Thus, it is possible for an employee to be required to file an FD Statement because the employee received a year-end bonus paid in November and December, even though the employee's total salary for the year was less than the senior staff rate annual amount.

**Principal Assistants:** Every Member office must have at least one employee who files an annual FD Statement. Most offices will have at least one employee who is paid at or above the senior staff rate (*see* preceding subsection) and therefore is required to file a Statement. If a Member does not have an employee paid at or above the senior staff rate, the Member must designate at least one current employee as a principal assistant to file an FD Statement. To designate a principal assistant, a letter that identifies the designee and is signed by the Member must be transmitted to the Clerk of the House.

Except in the case of a new Member, an employee who has been designated as a principal assistant must have been employed in the Member's office for more than 60 days in the calendar year covered by the report and still be employed by the Member on the May 15 filing deadline. Neither an FD Statement filed by a new employee nor one filed by a terminated employee of the Member will satisfy the requirement that at least one person in each Member's office must file an annual FD Statement. In addition, when a Member's designated principal assistant terminates their House employment, the Member must designate a new principal assistant in the individual's place. *See* Appendix B, Interpretive Ruling No. 1.

The Clerk of the House will notify those Members who are required to designate a principal assistant. The EIGA is silent regarding the position in the Member's office that such an employee should hold, and Members therefore have broad discretion in choosing which employee to designate as a principal assistant. The Committee encourages, but does not require, Members to select an employee whose relationship with the Member permits the

person, under some circumstances, to act in the Member's name or with the Member's authority. A Member is also free to designate more than one employee as a principal assistant to file an FD Statement.

PLEASE NOTE: All principal assistants must file by May 15 or request an extension by that date. Therefore, the Member's office should provide sufficient notice to the principal assistant of the requirement to file.

Shared Employees: In 2008, the Committee on House Administration adopted Committee Resolution #110-7, which requires each House employee who is employed simultaneously by three or more offices for more than 60 days in a calendar year to file an FD Statement on May 15 of the following year. (The Committee on House Administration has not required that such shared employees file Periodic Transaction Reports (PTRs) if they are not otherwise required to file because of their rate of pay.)

#### Candidates

Individuals are required to file an FD Statement once they "qualify" as a candidate by *raising or spending more than \$5,000* in a campaign for election to the House of Representatives. If you receive a notice to file a Statement before you have raised or spent more than \$5,000 on the campaign, you should notify the Clerk of the House *in writing or through the electronic filing system* that the campaign has not yet crossed the \$5,000 threshold. You may use the form included as Appendix E in this instruction booklet to make the notification to the Clerk. See "Where to File" for the mailing address for the Clerk.

Funds loaned to a campaign from any source, including from the candidate, as well as funds expended for state filing fees, count toward the \$5,000 threshold. However, only funds raised or spent in the election cycle in which you are a candidate (*i.e.*, the two-year period consisting of the calendar year of the election and the prior calendar year) are considered to determine whether you have qualified as a candidate. For example, if you are running as a candidate for the House in an election to be held on November 8, 2016, only funds raised or spent in the current election cycle (2015 and 2016) count toward the \$5,000 threshold. Any campaign funds carried over from the prior election cycle in which you were a candidate do not count toward the \$5,000 threshold.

*Candidates who never exceed the \$5,000 threshold are not required to file an FD Statement.*

Qualifying candidates are required to file no more than one candidate FD Statement for any calendar year in which they qualify as a candidate.

Filing Deadlines for Candidates: The deadline for filing the FD Statement depends on whether you qualify as a candidate in an election or non-election year.

*If you qualify as a candidate during an election (even-numbered) year, then you must file an FD Statement within 30 days of becoming a candidate or May 15 of that year, whichever is later.*

There are two exceptions to this general rule:

First, a qualifying candidate must file no later than 30 days *before* any election (including primaries) in which the individual is participating. Thus, if you become a candidate on January 5 in an election year and the primary is on April 22, the report is due by March 23 (no later than 30 days before the election).

Second, if a candidate crosses the \$5,000 threshold within the 30-day period prior to an election, the candidate must file the FD Statement immediately after the campaign raises or spends more than \$5,000.

*If you qualify during a non-election (odd-numbered) year, then you must file an FD Statement within 30 days of becoming a candidate or May 15 of that year, whichever is later. You are then required to file a second Statement on May 15 of the following year if you are still a candidate on that date. If you lose a primary election or formally withdraw, as explained below, before May 15, then you are not required to file the second Statement.*

Withdrawal of Candidacy: A candidate who takes action that is recognized under applicable state law as legally sufficient to withdraw as a candidate *before* the date on which their FD Statement is due need not file a Statement. You must, however, notify the Clerk of the House in writing or through the electronic filing system that you withdrew your candidacy prior to your filing deadline. *You may use the form included as Appendix E in this instruction booklet to make the notification to the Clerk.* Merely ceasing to campaign, without formally withdrawing from the race under your state's applicable law, does not alleviate the requirement to file the Statement.

Candidates who withdraw their candidacy *on or after* the date on which the FD Statement is due are still obligated to file the Statement, even though they are no longer seeking a nomination or an election.

Examples: The following examples illustrate when a candidate's report would be due under various circumstances:

1. The campaign raises or spends more than \$5,000 in campaign contributions on March 1 of the year before the election (non-election year). The candidate must file an FD Statement on May 15 of that year. The primary election is in June of the following year. Thus, the candidate must also file a second FD Statement as a continuing candidate on May 15 of the election year. The second Statement must disclose financial information for the current year up to a date within 30 days of filing and the entire calendar year preceding the election.

2. The campaign receives more than \$5,000 in campaign contributions on October 2 of the year before the election. The candidate must file an FD Statement within 30 days, *i.e.*, by November 1 of that year. The primary election is in September of the following year. Thus, the candidate must also file a second FD Statement as a continuing candidate on May 15 of the election year. The second Statement must disclose financial information for the current year up to a date within 30 days of filing and the entire calendar year preceding the election.

3. The campaign receives more than \$5,000 in campaign contributions on October 2 of the year before the election. The candidate must file an FD Statement within 30 days, *i.e.*, by November 1 of that year. The primary election is in March of the following year. Thus, the candidate must also file a second FD Statement as a continuing candidate on May 15 of the election year, unless they lose in a primary before May 15. The second Statement must disclose financial information for the current year up to a date within 30 days of filing and the entire calendar year preceding the election.

4. The campaign raises or spends more than \$5,000 on December 15 of the year before the election. The candidate must file an FD Statement within 30 days, *i.e.*, by January 14 of the following year. The candidate must also file a second FD Statement as a continuing candidate on May 15 of the election year, unless they lose in a primary before May 15. The second Statement must disclose financial information for the current year up to a date within 30 days of filing and the entire calendar year preceding the election.

5. The campaign raises or spends more than \$5,000 on January 15 of the election year and the primary is not until July. The candidate must file an FD Statement by May 15 of that year (the later of May 15 or 30 days after qualifying).

6. The campaign raises or spends more than \$5,000 on January 15 of the election year and the primary is April 17. The candidate must file an FD Statement by March 18 (no later than 30 days before an election).

7. The campaign raises or spends more than \$5,000 on April 1 of the election year and the primary is April 17. The candidate must file an FD Statement by April 1. (Because the candidate qualified in the 30 days before the election, the report is due immediately upon qualification.)

8. The campaign raises or spends more than \$5,000 on May 1 of the election year and the primary is not until August. The candidate must file an FD Statement by May 31 (30 days after qualifying).

9. The candidate files a Statement of Candidacy with the Federal Election Commission on March 1 and gets enough signatures to be on the ballot of the June 6 primary, but the campaign neither raises nor spends more than \$5,000. The candidate is not required to file an FD Statement.

10. The campaign raises more than \$5,000 on February 1 of the election year. The primary is not until August. On May 1, prior to the due date of the FD Statement, the candidate takes action necessary to withdraw from the race. No Statement is required, but the candidate must notify the Clerk in writing or through the electronic filing system of their withdrawal from the race. (If the candidate waits until May 15 or later to withdraw, an FD Statement would be required.)

Any candidate who is unsure whether or when a statement is due should call the Committee at (202) 225-7103 for advice.

Definitions: An "*election*" means a general, special, primary, or run-off election, or a convention or caucus of a political party with the authority to nominate a candidate.

The term "*candidate*" for the purposes of the Act is the same found in section 301 of the Federal Election Campaign Act of 1971 (now codified at 52 U.S.C. § 30101). "Candidate"

means an individual other than a Member of the House-

who seeks nomination for election, or election, to Federal office, and for the purposes of this paragraph, an individual shall be deemed to seek nomination for election, or election-

(A) if such individual has received contributions aggregating in excess of \$5,000 or has made expenditures aggregating in excess of \$5,000; or

(B) if such individual has given his or her consent to another person to receive contributions or make expenditures on behalf of such individual and if such person has received such contributions aggregating in excess of \$5,000 or has made such expenditures aggregating in excess of \$5,000.

#### New Officers and Employees

A new officer or employee of the Legislative Branch must file an FD Statement within 30 days of assuming the new position if the individual is *hired* at a compensation rate which is at or above the "senior staff" rate, as defined on page 2.

Exclusions from the Filing Obligation: The requirement to file a new employee Statement does not apply to individuals who move from one position to another within a House office or receive a pay increase in their current position. Thus, a House employee who receives a promotion or raise that lifts that individual to the senior staff rate need not file an FD Statement within 30 days of the increase.

The requirement to file an FD Statement also does not apply to an individual who left a federal government position that required the filing of a public FD Statement within 30 days prior to assuming a House position. Individuals who need not file for this reason must notify the Clerk in writing or through the electronic filing system in response to any request that a report be submitted.

Employees in either of these categories who are paid at the senior staff rate for 60 days or more during the calendar year will be required to file an annual FD Statement for that year during the next May 15 filing period.

#### Termination Filers

Most Members, officers, and employees who are otherwise required to file FD Statements but terminate employment with the government must file termination reports within 30 days of leaving House employment. The reporting period for a termination report depends on the date of termination. See the discussion in the

next section under the heading "Reporting Period" for an explanation.

An individual who, within 30 days of leaving House employment, accepts another federal government position that requires the filing of a *public* FD Statement is not required to file a termination report with the House. A requirement to file a confidential FD Statement will not excuse the filing of a termination report. *An individual who has accepted a new position with a public financial disclosure reporting requirement must notify the Clerk of the House in writing or through the electronic filing system of the new position in order to excuse the obligation to file a termination FD Statement with the House.*

An individual who files only because they were designated a principal assistant is not required to file a termination report, unless the principal assistant's employing Member is also leaving the House.

#### Periodic Transaction Report Filers

Members, officers, and employees compensated at the senior staff rate (as defined on page 2) are required to file PTRs for reportable transactions. FD filings and filing requirements are generally considered on a calendar-year basis. Thus, new employees and employees paid at or above the senior staff rate on January 3, or their first day of employment if after January 3, must file PTRs for that calendar year even if their pay is later reduced below the senior staff rate. Any employee who receives a pay increase (or mid-year bonus) that results in the employee being paid the senior staff rate in two pay periods must begin filing PTRs for all transactions executed following the second pay period. However, the PTR filing requirement would not attach to an employee who does not become "senior staff" until December 31 (for example, by receiving a year-end bonus), unless the employee's pay rate remains above the senior staff rate on January 3. Principal assistants and shared employees are not required to file PTRs.

The PTR filing requirement remains in effect for senior staff who take leave without pay (LWOP) or medical or family leave (including maternity or paternity leave) from their House employment.

#### Filing Deadlines for PTRs

Qualifying transactions must be reported on a PTR *within 30 days of you becoming aware of the transaction, but no later than 45 days after the transaction.* Unless it is the 45th day, if the date on which a report is required to be filed falls on a weekend or federal holiday, the filing deadline is extended to the next business day. If the 45th day falls on a holiday or week-

end, the deadline will be the last business day before the holiday or weekend. Reports are considered timely if they are received or legibly postmarked on or before the due date.

The following examples illustrate when a PTR would be due under various circumstances.

1. You direct the purchase of Mega Corporation stock on July 10. You must report that transaction by August 9 (30 days after awareness of the transaction).
2. Your broker purchases Mega Corporation stock on July 10 and informs you of the transaction on July 16. You must report that transaction by August 15 (30 days after awareness of the transaction, but still within the 45-day limit).
3. Your broker purchases Mega Corporation stock on July 10 and informs you of the transaction on July 31. You must report that transaction by August 24 (30 days after awareness of the transaction, but capped by the 45-day limit).
4. Your broker purchases Mega Corporation stock on July 12 and informs you of the transaction on July 31. August 26, the 45th day after July 12, falls on a weekend. As a result, you must report that transaction by August 24 (30 days after awareness of the transaction, but capped by the 45-day limit, which is rolled back to the 43rd day because of the weekend).
5. Your broker purchases Mega Corporation stock on July 10 and informs you of the transaction on September 3. You must report that transaction immediately, but no late fee is due (report is late, but is filed within the 30-day grace period).
6. Your broker purchases Mega Corporation stock on July 10 and informs you of the transaction on September 30. You must report that transaction immediately and enclose a check for \$200 payable to the U.S. Treasury as a late fee. You may also request a waiver of the late filing fee, which the Committee may grant in "extraordinary circumstances" (report is late and is filed outside of the 30-day grace period, meaning a late fee is due).
7. If you, your spouse, or your dependent children have no reportable transactions, then no periodic report is due (although some transactions may still need to be reported on your annual FD).

More detail on PTR reporting requirements begins on page 39.

## REPORTING PERIOD

The reporting period for the *annual* FD Statements is the preceding calendar year. For

Schedule E ("Positions"), the reporting period is January 1 of the preceding calendar year through the date of filing.

The reporting period for *New Members*, as defined on Page 1, is calendar year 2014. New Members must complete Schedules A, C, D, E, F, and J in the electronic filing system or a paper FORM B. When completing Schedules A and C, fill out the "Preceding Year" information in the electronic filing system or column on the paper form, respectively, and mark the "Current Year" information "Not Applicable" or "N/A."

The reporting period for *candidates and new employees* is generally January 1 of the prior calendar year through the current calendar year to a date within 30 days of the date of filing. You may select the period-ending date so long as it is no more than 30 days prior to the date of filing. Thus, if your Statement is due on May 15, 2015, and you file it April 15, 2015, your reporting period is January 1, 2014 through any date of your choosing between March 16 and April 15, 2015. Once you have determined the period covered, you must state it in the "Period Covered" box at the top of the Preliminary Information page of the form or enter it in the appropriate spot in the e-filing system.

Please note that for Schedule E ("Positions") and Schedule J ("Compensation in Excess of \$5,000 Paid by One Source"), first-year candidates and new employees are required to provide information for the current year and *two* preceding calendar years. Thus, if you are filing in 2015, you must provide information for these two schedules for 2013, 2014, and 2015 through the date of filing. Second-year candidates must provide this information for their reporting period.

The reporting period for a *termination* FD Statement depends on the termination date. If the individual's termination date is prior to May 15, the reporting period is the prior calendar year through the date of termination in the current calendar year. If the individual's termination date is after May 15, the reporting period is the calendar year in which termination occurs through the date of termination.

## REPORTING OF SPOUSE AND DEPENDENT CHILD FINANCIAL INFORMATION

You are required to disclose certain information concerning the income, assets, liabilities, and other information of your spouse and dependent children on the FD Statement. Following the June 26, 2013, U.S. Supreme Court opinion in *U.S. v. Windsor*, these requirements will also be enforced for filers who are legally

married to a spouse of the same sex. For the specific disclosure requirements for all filers, please refer to the detailed discussion of reporting obligations for each schedule provided in this instruction booklet.

For assets, income, transactions, and liabilities of over \$1,000,000 in value that are held solely by your spouse or dependent child, you may mark the "Spouse/DC Asset [or Income, or Liability] over \$1,000,000" or the "Over \$1,000,000 (Spouse/DC Asset)" column. For items that you hold either singly or jointly with your spouse or dependent child, you must mark the other higher categories of value as appropriate.

The term "*dependent child*" means one's child or stepchild who (A) is unmarried, under age 21, and living in the household of the reporting individual, or (B) is a "dependent" of the reporting individual within the meaning of section 152 of the Internal Revenue Code of 1986.

Separation from Spouse. You are not required to disclose financial information about a spouse from whom you have separated with the intention of terminating the marriage. If you exclude information because of a separation or marital dissolution, answer "NO" to the Spousal Exemption Question.

## TIMELINESS OF FILING

FD Statements are considered timely if they are *received, postmarked, or filed electronically* on or before the due date, which for annual filers is May 15, 2015. If the date on which an FD Statement is required to be filed falls on a weekend or federal holiday, the filing deadline is extended to the next business day.

PTRs also are considered timely if they are *received, postmarked, or filed electronically* on or before the due date. If the date on which a report is required to be filed falls on a weekend or federal holiday, the filing deadline is extended to the next business day, unless it is the 45th day following a reportable transaction. If the 45th day falls on a holiday or weekend, the deadline will be the last business day before the holiday or weekend.

FD Statements and PTRs must contain an *original signature or be transmitted by the filer personally through the e-filing system*. Thus, paper forms may NOT be filed with the Legislative Resource Center via facsimile (fax) machine or email. FD Statements and PTRs are frankable.

### Extensions

On or before the date on which an FD Statement or a required amendment is due, the Com-

mittee may grant reasonable extensions of time for the filing. Under the law, the total of such extensions for one filing in a calendar year may not exceed 90 days. *No extensions for PTRs will be allowed.* No such extensions are permitted by the terms of the STOCK Act.

To request an extension for an FD Statement, the filer must either use the extension request form in the electronic filing system available at <https://fd.house.gov>, or the extension request form available on the Committee's Web site, [www.ethics.house.gov](http://www.ethics.house.gov), under the "Financial Disclosure" tab. (Employees of the Congressional Budget Office, Library of Congress, Architect of the Capitol, Government Publishing Office, or Capitol Police must file a written request for an extension with the general counsel of their agency and follow the extension request policy established by that agency). For House filers, the form must be signed on paper or electronically by the filer and must state the length of the extension requested. *Any such request must be received on or before the due date of the report.* An extension request is *not* timely if it was only postmarked, but was not received, by the due date. The Committee will accept extension requests via the electronic filing system, fax machine, or email. The Committee fax number for financial disclosure matters is (202) 225-3713 and the email address is [financial.disclosure@mail.house.gov](mailto:financial.disclosure@mail.house.gov).

In addition, pursuant to the Stop Trading on Congressional Knowledge Act of 2012 (STOCK Act), the Clerk is required to post notice of all extensions granted for Members and candidates on the public Web site of the Office of the Clerk within 30 days of filing. The Committee will provide the Clerk with notice regarding extensions that are granted.

### Late Filing Fee

An individual who files an FD Statement or any amendment requested by the Committee to a Statement or PTR more than 30 days after the later of (1) the date the report or amendment is required to be filed, or (2) the last day of any filing extension period that has been granted, must pay a late filing fee of \$200. For late PTRs, the following late fee policy applies:

1st late PTR Filing (no matter how many missed transactions): \$200.

2nd to 4th late PTR filings: \$200 for each month in which a filer had a late transaction. For example, if the filer failed to file timely reports for transactions that were executed in January, April, and July, but instead reported all such transactions on one PTR in October, then \$600 in late fees is owed. (Transactions filed late in 3 months at \$200 each.)

5th late PTR and beyond: \$200 for each late transaction. For example, if the filer failed to file timely reports for 15 transactions, then \$3,000 in late fees is owed. (15 transactions reported late at \$200 each.)

The late filing fee shall be paid by check or money order made out to the United States Treasury and submitted to the Clerk at the Legislative Resource Center. Payment of the fee does not preclude the Committee from taking other disciplinary action authorized by law or the rules of the House of Representatives.

The Committee has authority to waive the fee, but only in extraordinary circumstances. Waiver requests must be directed in writing to the Chair of the Committee, signed by the filer, and state the circumstances believed to justify the waiver. For PTRs, please include the name of the asset, transaction date, notification date, and filing date for each late-filed transaction. A form is available for this purpose on the Committee's Web site. The request may either be e-mailed to [financial.disclosure@mail.house.gov](mailto:financial.disclosure@mail.house.gov), faxed to the Committee at (202) 225-3713, or delivered to the Committee on Ethics, 1015 Longworth House Office Building, Washington, DC 20515. In no case will the request, or the Committee's response, be made publicly available.

Any report that is submitted more than 30 days after the due date without the required late filing fee shall be deemed procedurally deficient and not properly filed. Thus, you must submit the late filing fee at the time you file your report. The fee will be deposited immediately *unless* a fee waiver is requested at the time of filing, in which case it will be held by the Clerk and not be deposited until the Committee acts on the fee waiver request. If the fee waiver is granted, your check or money order will be returned to you by the Clerk of the House.

#### WHERE TO FILE AND NUMBER OF COPIES

FD Statements and PTRs (or any amendments) must be filed with the Clerk of the House of Representatives. They may be submitted either by using the electronic filing system or on paper form at the Legislative Resource Center, Room 135 Cannon House Office Building, Washington, DC 20515. If submitting the paper form, Members and candidates should submit one original (with an original signature) and two photocopies of their completed and signed FD Statement. Officers and employees should submit one original (with an original signature) and one photocopy of their completed and signed FD Statement. Paper forms must

either be hand-delivered or sent by mail. Filings sent by fax or e-mail will not be accepted.

#### COMMITTEE REVIEW

The Committee on Ethics is required to review all FD Statements and PTRs to determine whether they are filed in a timely manner, appear accurate and complete, and comply with applicable laws and rules. If the review indicates an error, omission, or other deficiency, the filer will be notified of the additional information believed to be required, or of the law or rule with which the Statement does not appear to comply.

If you concur with the Committee, then you should file an amendment to the FD Statement either using the electronic filing system or on paper with the Clerk at the Legislative Resource Center. If filing on paper, the same number of copies of an amendment is required as for the original filing. An amendment may be in the form of a revised FD Statement (indicating where appropriate that it is an amendment) or by an explanatory letter addressed to the Honorable Karen L. Haas, Clerk of the House, at the Legislative Resource Center.

If you do not agree that an amendment is needed, you must send a letter *to the Committee* explaining why you believe the amendment is not required. In all cases, the Committee shall be the final arbiter of whether any Statement requires clarification or amendment. No communications between the Committee and you concerning the review of your Statement will be publicly discussed or released by the Committee.

The Committee is also authorized under the EIGA to render advisory opinions interpreting the disclosure requirements to any person required to file an FD Statement. Any person who acts in good faith in accordance with a written advisory opinion from the Committee shall not be subject to any sanction by the Committee under the EIGA.

#### FAILURE TO FILE OR FALSIFYING DISCLOSURE STATEMENTS

Each individual is responsible for the completeness and accuracy of the information contained in the individual's FD Statement, even if someone else prepared, or assisted in preparing, all or part of it. The EIGA provides that the Attorney General may seek up to one year in prison and a fine of up to \$50,000 against an individual who knowingly and willfully falsifies a Statement, and up to a \$50,000 fine for anyone who knowingly and willfully fails to file a Statement required by the EIGA.

In addition, 18 U.S.C. § 1001, as amended by the False Statements Accountability Act of 1996,

is applicable to FD Statements. That criminal statute provides for a fine and/or imprisonment for up to five years for knowingly and willfully making any materially false, fictitious, or fraudulent statement or representation, or falsifying, concealing, or covering up a material fact, in a filing under the EIGA.

House Rule 26 provides that title I of the EIGA shall be deemed to be a rule of the House with regard to House Members, officers, and employees. The House, acting on the recommendation of the Committee, may therefore impose penalties on Members, officers, and employees in addition to those noted above.

### PUBLIC ACCESS

The Clerk of the House will make FD Statements and PTRs publicly available within 30 days of filing (or within 30 days of May 15 for reports due by that date). The Clerk is required to send a copy of each Statement or PTR filed by a Member or a candidate to the appropriate state officer in the state represented by the Member or in which the individual is a candidate.

In addition, pursuant to the Honest Leadership and Open Government Act of 2007 (HLOGA), the Clerk is also required to post on the public Web site of the Office of the Clerk copies of all Member FD Statements. Statements filed by May 15 must be posted within 30 days. The Clerk must post subsequently-filed Member Statements not later than the end of each 45-day period following the initial public posting.

In addition, pursuant to the STOCK Act, the Clerk is required to post all Statements and PTRs filed by Members and candidates on the public Web site of the Office of the Clerk within 30 days of filing.

Statements and PTRs filed with the Clerk also are made available for public inspection in the Legislative Resource Center. The Clerk may not make any Statement or PTR available to any person, or provide a copy of any report to any person, except upon written application by such person stating:

(A) the requester's name, occupation, and address;

(B) the name and address of any other person or organization on whose behalf the inspection or copy is requested; and

(C) that such person is aware of the prohibitions on the obtaining or use of the report.

All applications for inspection of Statements shall be made available to the public. In addition, any person requesting a copy of a Statement may

be required to pay a reasonable fee to cover the cost of reproduction or mailing.

All FD Statements of Members shall be made available for public inspection until six years after the individual ceases to be a Member of Congress. All Statements of officers and employees shall be made available for public inspection for six years after filing. FD Statements of candidates who were not subsequently elected will remain available for one year after the individual ceases to be a candidate.

### UNLAWFUL USE

It is illegal for any person to obtain or use a report filed under the EIGA for: (1) any unlawful purpose; (2) any commercial purpose, other than by news and communications media for dissemination to the general public; (3) determining or establishing the credit rating of any individual; or (4) use, directly or indirectly, in the solicitation of money for any political, charitable, or other purpose.

The Attorney General may bring a civil action against any person who obtains or uses a Statement or PTR for any of the prohibited purposes mentioned above. The court may assess a penalty not to exceed \$10,000.

### Forms Not Net Worth Statements

FD Statements are not intended as net worth statements, nor are they well suited to that purpose. As the Commission on Administrative Review of the 95th Congress stated in recommending broader financial disclosure requirements: "The objectives of financial disclosure are to inform the public about the financial interests of government officials in order to increase public confidence in the integrity of government and to deter potential conflicts of interest." *Financial Ethics*, House Document No. 95-73, page 6 (1977).

# SPECIFIC REPORTING INSTRUCTIONS

## FD STATEMENTS

The following sections correspond in order to the ten schedules on the FD Statement to be filed by Members, candidates, officers, and employees of the legislative branch. Examples are provided throughout the instruction booklet, on the Statement itself, and in a sample completed form immediately following these instructions. The examples are included in an effort to provide as much guidance as possible to reporting individuals. Note that due to the implementation of the electronic filing system, the schedules have been re-ordered from previous years and are now labeled A through J rather than by Roman numeral. Refer to page 38 for a table that details how the current schedules compare from prior years.

When filing a paper form, only the signature page, preliminary information page, and completed schedules should be filed. At the top of each page, indicate your name, the page number, and total pages in the filing. Please type or print clearly in blue or black ink. This book contains "Column-by-Column" instructions for some schedules that only apply to the paper form. In addition, there are references to portions of the paper form in the discussions regarding how to report individual assets. The electronic filing system asks these questions during the course of completing your filing. *If you have nothing to report on a schedule, be certain to check the appropriate "NO" box on the first page. If you check the "NO" box for any question, do not file the corresponding schedule.*

### Tools to Complete the Form

The following documents may help to provide the information necessary for completing the FD Statement. *There is no requirement to file any supporting documentation with your completed Statement.* No attachments are permitted with electronic filings.

- A copy of the Statement you filed last year (for a new Member, this would be the Statement you filed as a candidate);
- End of year statements for any brokerage accounts, retirement accounts, or bank accounts that pay interest;
- Tax forms 0V-2s or 1099s) or pay stubs for any outside earned income you or your spouse received in the previous year;

- Annual accounting or other financial reports for any business you own; and
- Any other documents which indicate the gross revenue, income, loss, sales, purchases, or debt for the previous calendar year for your investments, income, or liabilities.

## SIGNATURE AND CERTIFICATION

Provide your full name, daytime telephone number, and address in the space provided. You may use your office address and telephone number. Also indicate your filer status as a Member, candidate, or officer/employee of the House. *If you file the paper form, the signature and certification page WILL NOT be made available to the public. If you file electronically, no such page is created.*

You must sign and date the signature page after completing the attached FD Statement if you file the paper form. If you file electronically, you will be required to sign the form digitally before submission. By your signature or electronic filing, you are certifying that the attached report (including any accompanying schedules or information) is accurate and complete. This page must be signed, either electronically or on paper, by you *personally*, not by someone acting on your behalf, even if someone else prepared or assisted you in completing the Statement.

*Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file, a required FD Statement may be subject to incarceration and/or a fine pursuant to 5 U.S.C. app. 4 § 104, and criminal sanctions under 18 U.S.C. § 1001.*

## PRELIMINARY INFORMATION PAGE (paper form only)

At the top of this page is a block in which you must indicate your name, telephone number, filer status, employing office, and report type. Print your first and last names. Use your daytime or office telephone number so that Committee staff will be able to contact you if questions arise during the review process.

Next, check the box indicating your filer status, as either a Member or candidate, or as an officer or employee. Members and candidates must also identify the state and congressional district they represent or seek to represent. An

officer or employee should state the name of the Member, committee, or office by which the filer is employed. Shared employees must list the name of at least one employing Member, committee, or other office by which the filer is employed. Employees of a Member's personal office should state the Member's name, not the state and district the Member represents.

You must also check one of the four boxes indicating the type of report that is being filed: the annual report due on or before May 15, a candidate or new employee report, an amendment, or a termination report.

Next, you will see in the middle of the page a series of preliminary questions identified by letters A through J. *You must answer "YES" or "NO" to each of these questions.* These questions only summarize the actual disclosure requirements. Answering these summary questions does not eliminate the need to complete the rest of the form. Accordingly, *before you respond to these questions, you should read the detailed instructions contained in this booklet.*

Each of the questions corresponds to a Schedule with the same letter (e.g., question A corresponds to Schedule A). *Where the answer to any question is "YES," you must attach the completed corresponding schedule.* By answering "NO" to a question, you are stating that there is no information to report in this area. *For any "NO" answer, do not file the corresponding schedule.*

The subjects of the questions (and the corresponding schedules) are as follows:

Assets and "unearned" income .....	Schedule A
Transactions .....	Schedule B
Earned income.....	Schedule C
Liabilities .....	Schedule D
Positions .....	Schedule E
Agreement .....	Schedule F
Gifts .....	Schedule G
Travel .....	Schedule H
Payments made to charity in lieu of honoraria .....	Schedule I
Compensation in excess of \$5,000.....	Schedule J

Refer to page 38 for a table that details how the current schedules compare to schedules from prior years. For pages that contain two schedules, where there is information to be reported for one schedule but not for the other, you need not complete the schedule for which the answer was "NO." Leave it blank, or report "N/A" or "Not Applicable."

## IPO ATTESTATION AND DISCLOSURE EXEMPTION QUESTIONS

There are three "YES/NO" questions which you must answer by checking the appropriate boxes. If any of these questions is not answered, the Statement may be deemed deficient.

### Initial Public Offering Attestation

*This question is for annual and termination filers only.*

The IPO question reads:

*Did you purchase any shares that were allocated as a part of an Initial Public Offering?*

Section 12 of the STOCK Act amends the Securities Exchange Act of 1934 to ban Members, officers, and employees who file FD statements from participating in an Initial Public Offering (IPO) in a manner "other than is available to members of the public generally." The Committee notes that opportunities for the general public to participate in an IPO are very limited.<sup>1</sup> As a result of the ban, filers will be required to indicate whether they purchased any shares that were allocated as part of an IPO on their FD Statement by checking the appropriate box. If you answer "yes" to the question because you received an IPO allocation, please contact Committee staff to discuss the disclosure format.<sup>2</sup>

### Trust Exemption

The trust exemption question reads:

*Details regarding "Qualified Blind Trusts" approved by the Committee on Ethics and certain other "excepted trusts" need not be disclosed. Have you excluded from this report details of such a trust benefiting you, your spouse, or a dependent child?*

Generally, you must disclose a trust and information concerning each asset held in a trust in which you, your spouse, or a dependent child has a beneficial interest. If you and your family members have no trusts, or if your Statement fully discloses any trust assets, check the box marked "NO."

<sup>1</sup> If you would like to participate in an IPO, we recommend contacting the Committee in advance to determine whether or not the purchase would be permissible.

<sup>2</sup> While interpretation of the STOCK Act regarding participation in IPOs will fall to the Securities and Exchange Commission, Department of Justice, or the courts, the opinion of the Committee is that, as drafted, the STOCK Act prohibits only the filer from participating in IPOs, but not the filer's spouse or dependent child, assuming the assets used for the purchase and the securities purchased are wholly owned by the spouse or dependent child, separate and independent of the filer. See STOCK Act at § 13.

If you have an "excepted trust" or "qualified blind trust," as described below, you must disclose the trust, its value, and any income received by you, your spouse, or your dependent child on Schedule A, but you need not disclose its assets. You also must check "YES" in response to the "Trust" question on page 1 because you are excluding from disclosure on Schedule A certain assets contained in a trust.

There are two exceptions to the general rule that all trust assets must be disclosed. The first is for assets held in "*excepted trusts*." A trust is an excepted trust if it meets two criteria: (1) the trust was not created by you, your spouse, or a dependent child; and (2) none of you has specific knowledge of the assets or sources of income of the trust through a report, statement, or constructive receipt, whether intended or inadvertent. Constructive receipt occurs when a person is considered to have received information, even without having actual possession, such as when the legal requirements for delivery have been satisfied. Filers may never blind themselves from knowledge of the trust assets by simply avoiding information that is made available to them. *Before indicating for the first time that you are the beneficiary of an excepted trust, you should consult with the Committee.*

The second exception is for assets held in "*qualified blind trusts*" as defined in the EIGA (5 U.S.C. app. 4 § 102(f)(3)). A qualified blind trust is a device employed by federal officials to hold, administer, and manage their private financial assets and investments (including those of the official's spouse and dependent children) as a method of avoiding conflicts. *All qualified blind trusts must be pre-approved by the Committee.* Please contact the Committee for questions concerning the specific approval requirements for a qualified blind trust.

#### Spouse and Dependent Exemption

The spouse/dependent exemption question reads:

*Have you excluded from this report any assets, "unearned" income, transactions, or liabilities of a spouse or dependent child because they meet all three tests for exemption?*

You are required to disclose certain information concerning the income, assets, liabilities, and other information of your spouse and dependent children on the FD Statement. This question asks you to indicate if you have omitted any information about your spouse or dependent children under the three statutory standards for exemption discussed below. In those *rare* instances where information may be

excluded, check the "YES" box. *You should not answer "Yes" to this question for the first time unless you have first consulted with the staff of the Committee.* If you intend to include all information regarding the finances of a spouse or child, or if you have no spouse or child, then the box marked "NO" should be checked.

You may omit disclosure of certain financial interests and liabilities of a spouse or dependent child only if *all three* of the following criteria are met:

(1) The items are the sole financial interest or responsibility of your spouse or dependent child and you have no specific knowledge of the items;

(2) The items were not, in any way, past or present, derived from your income or assets; *and*

(3) You do not derive or expect to derive any financial or economic benefit from the assets.

If you omit any reporting because these three circumstances are met, you must check the "YES" box on the first page of the Statement in response to the "Exemption" question.

An explanation of the three criteria for exemption follows.

(1) To satisfy the "knowledge test," you must have no detailed or specific knowledge of a financial interest or responsibility of your spouse or dependent child. For example, if you know that your spouse has inherited stock in a number of different corporations, but you do not know the identity of the corporations or the extent of the stock holdings, you would be considered to have no knowledge of those financial interests for purposes of this exemption. Knowledge would be presumed, however, if you filed a joint tax return that included information regarding the assets in question.

(2) To satisfy the "independence test," the financial interest or responsibility must be solely that of your spouse or child, and must have been obtained through your spouse's or child's own activities or financial resources (as would be the case with a bequest, inheritance, gift, or other means totally unrelated to you). If any part of your income, financial interests, or activities contributed in any way to the acquisition or disposition of the item, then the item would not meet this criterion.

(3) The "benefit test" should be interpreted very broadly. The law requires that you neither derive nor expect to derive any financial or economic benefit from the item. 5 U.S.C. app. 4 § 102(e)(1)(E). You benefit under this standard if income from the holdings of your spouse or dependent child is used, for example, for your vacations, the education of your dependents, or the maintenance of your home. In addition, you stand to benefit from interests held by a spouse

or dependent child if you have the possibility of inheriting the interest.

## SCHEDULE A ASSETS AND "UNEARNED INCOME"

You are required to disclose the following on Schedule A:

1. Assets (real and personal property) held for investment or the production of income valued at more than \$1,000 at the close of the reporting period; and
2. Unearned income that exceeds \$200 during the reporting period.

### Reportable Assets

Real and personal property held by you, your spouse, or a dependent child as an investment or for the production of income must be disclosed on Schedule A if it had a value in excess of \$1,000 at the close of the reporting period *or* generated unearned income in excess of \$200 during the reporting period.

Reportable assets include:

- Real Property
- Farms
- Brokerage Accounts
- IRAs, 401(k) Plans, and Other Non-Federal Retirement Accounts
- Pensions
- 529 College Savings Accounts
- Corporate Securities
- Mutual Funds, Exchange Traded Funds (ETFs), and Real Estate Investment Trusts (REITs)
- Government Securities and Agency Debt
- Asset-Backed Securities
- Futures and Options
- Hedge Funds and Private Equity Funds
- Annuities
- Insurance Policies
- Bank Accounts
- Ownership Interests in Privately-Held Companies
- Debts Owed to the Filer
- Trusts
- Investment Clubs
- Collectibles
- Intellectual Property/Royalties

Specific information on reporting each of these types of assets follows.

### Reportable Unearned Income

In general, unearned income is income received by you, your spouse, or dependent children as a return on investment. Unearned income that must be disclosed includes, but is not limited to, the following:

- Dividends
- Interest
- Capital Gains
- Rents
- Royalties
- Income from Ownership Interests in Privately-Held Companies or Other Business Entities
- Income From an Interest in an Estate or Trust
- Income Resulting from the Discharge of Indebtedness

**Important:** Please note filers are not required to disclose unearned income generated by assets held in tax-deferred accounts (including, but not limited to, 401(k), IRA, and 529 college savings accounts).

### Valuation of Assets

For each asset you disclose, you must indicate the category of its period-end value. Providing a *good faith estimate* of the fair market value of an asset if the exact value is neither known nor easily obtainable is an acceptable, and often the simplest, method of valuation. In valuing real property, for example, a good faith estimate may be based on such information as recent sales of comparable property. You may also value assets by any of the following alternative methods:

- The year-end market value of publicly-traded securities such as stocks or mutual funds;
- The year-end book value of an interest in a non-publicly traded company;
- The purchase price of real property (if the filer so indicates and provides the exact purchase price and date);
- A property tax assessment adjusted to reflect 100 percent value (if the filer so indicates and provides the exact assessed value);
- A recent professional appraisal;
- The net worth of a business partnership; or
- The value of an individually-owned business.

## Reporting Particular Assets

Real Estate. Reportable real estate includes any interest in land (including mineral rights) or commercial property (such as office buildings, shopping malls, or apartment buildings) held in a trade or business or for investment or the production of income. You are *not* required to disclose a personal residence (or any gain from its sale) *unless* it generated rental income, including, for example, from the rental of the basement or a single room (in which case you must report the value of the *entire* residence). A second home, vacation home, or other property that is held purely for recreational purposes and is not rented at any time during the reporting period need not be reported.

With regard to rental income, you must disclose the *gross* income received; you may not deduct mortgage payments or other expenses (though you may also disclose the net income if the two amounts are clearly identified as "gross" and "net").

You may, *but are not required to*, provide a street address for real estate. You can simply provide a brief description and the city and state of its location. For example, "Residential Rental Property located in Ithaca, New York." If you own more than one property, however, the property descriptions must be distinguishable from one another and used consistently from year-to-year.

If you hold real estate (such as residential rental properties or commercial buildings) in a limited partnership or limited liability corporation, please refer to the discussion of the specific reporting requirements of such companies under the heading "Ownership Interests in Privately-Held Partnerships, Corporations, and Other Business Entities" on page 19 of this booklet.

*For examples of how to report interests in real estate, refer to the sample FD Statement beginning at page SF-1 for the Fann A and SF-15 for the Fonn B.*

## Farms

You must report ownership interest in a farm if the farm is held for investment purposes or the production of income, regardless of whether the farm is held individually, cooperatively, or through a partnership or corporation. You must include the following information in your description of the farm in Block A: 1) the name; 2) the business of the farm (e.g., cattle, corn, or wheat); and 3) the city/county and state. You may also want to indicate how you hold your interest. In Block B, you must reflect the aggregate value of the farm (e.g., land, buildings, farm equipment, crops, and livestock). In Block

C, you must report "farm income." In Block D, you must also indicate the gross amount of farm income, incorporating any farm subsidy you receive into the income amount.

If you own livestock that you hold for an investment purpose or the production of income independent of a farming operation, report the livestock on Schedule A if they are worth more than \$1,000 collectively at period-end or transactions involving them that earned more than \$200 in income during the reporting period.

## Reporting of Investment Accounts

Brokerage, managed, 401(k), 403(b), IRA, 529 accounts, and variable annuities are investment vehicles or accounts. As a result, filers must provide all of the underlying holdings (e.g., stocks, bonds, or mutual funds) and transactions in these accounts. It is not sufficient to disclose the aggregate value of the portfolio or account. Note that if an internal holding itself meets the definition of an Excepted Investment Fund (EIF), defined later in these Instructions, then while the internally-held fund would still need to be reported, the further contents of that internally held fund would NOT need to be reported. For example, if a filer has a Vanguard account within which is held the Vanguard S&P 500 Fund, the Vanguard REIT Fund, and the Vanguard Emerging Markets Fund, the filer must report each of these three funds on their FD Statement, the value of their interest in each of the funds, and the type of income and amount of income from received from each of the funds.

Brokerage Accounts and Accounts with an Investment Advisor. For brokerage accounts, you must provide information about specific holdings of the account in the same detail as assets and income held outside an account. That is, you must individually list in Block A each of the assets held in the account (*i.e.*, the specific stocks, mutual funds, or other assets in which your money is invested within the account) that meet the reporting thresholds, disclose the individual value of each of those holdings at the end of the reporting period in Block B, and disclose the type and amount of income earned by each asset in the account during the reporting period in Blocks C and D. *You must report the income earned even if it was simply reinvested in the account.*

Retirement Accounts. You must disclose each non-federal retirement account held by you, your spouse, or a dependent child. Examples of retirement accounts that must be disclosed include:

- Individual Retirement Accounts (IRAs)
- Roth IRAs

- 401(k) Plans
- 403(b) Plans
- Keogh Plans
- Simplified Employee Pensions (SEPs)
- TIAA-CREF Accounts
- Defined-Contribution Pension Plans

You are *not* required to disclose financial interests in or income derived from *fedeml* retirement systems, including the Thrift Savings Plan.

You must provide information about specific holdings of the account in the same detail as non-retirement assets. That is, you must individually list each of the assets held in the account (i.e., the specific stocks, mutual funds, or other assets in which your money is invested within the account) that meet the reporting thresholds in Block A, disclose the individual value of each of those holdings at the end of the reporting period in Block B, and disclose the type of income as "tax-deferred" in Block C and the amount as "None" in Block D. If you are filing electronically, you should choose "Not Applicable" for the amount of income. You are not required to report as income the amount of any new funds contributed to the plan by you or your employer during the reporting period (but those will be reported as transactions on Schedule B if they exceeded \$1,000 in any single transaction), nor are you required to report as income any increase in market value *U.e.*, the unrealized gain) of the assets held in the plan or account.

**Important:** All IRAs, TIAA-CREF accounts, Keogh plans, 401(k) plans, 403(b) plans, SEPs, and defined contribution plans must either have a listing of the individual assets (e.g., stocks, bonds, mutual funds) held within the account or an indication that the account is held in "cash." **FAILURE TO DO SO IS THE MOST COMMON ERROR MADE BY FILERS.**

If you have a taxable retirement account, you must disclose the type and amount of income in the account, even if the income is reinvested.

You do not have to report as a transaction a change in retirement account custodians or a "roll over" of funds from one retirement account to another. However, you should parenthetically explain any change on Schedule A where you list the new account (e.g., "Fidelity Asset Management Fund IRA rolled over from Lincoln pension plan").

*For examples of how to report retirement accounts, refer to the sample FD Statement beginning at page SF-1 for the Form A and SF-15 for the Form B.*

**Defined-Benefit Pensions.** You must disclose each non-federal pension held by you, your spouse, or a dependent child. Only the name of the plan or location of the account and its overall value at the end of the reporting period need be shown. You may also indicate that your pension value is "undetermined" or "determined at retirement." You may indicate "none" for type and amount of income (Blocks C and D, respectively) for those accounts where you are not receiving income.

**529 College Savings Accounts.** A 529 plan is an education savings plan operated by a state or educational institution designed to help families set aside funds for future college costs. You must disclose each 529 plan held by (or for the benefit of) you, your spouse, or dependent children. You are not required to disclose the name of any dependent child. Accounts may be identified as "DC1" for your first dependent child, "DC2" for your second dependent child, and so on (or listed cumulatively if they are identical).

There are two types of 529 college savings accounts:

*College savings plans* are investment accounts in which individuals choose among a variety of investment options that are typically based on risk, age of the child, or graduation date (e.g., "2020 Graduation Portfolio"). For this type of plan, you must disclose the name of the plan in Block A along with the sponsor and *each* investment option that had a period-ending value of more than \$1,000. Because income generated by assets held in 529 accounts is tax deferred, you may check "tax deferred" for type of income and "none" for amount of income (Blocks C and D, respectively).

*Pre-paid tuition plans* are contracts with a state or educational institution that allow a person to pay for some or all of the cost of a future education at present-day costs. For this type of plan, you must disclose the name of the plan and sponsor and indicate it is pre-paid in Block A and its period-ending value in Block B. Because income generated by assets held in 529 accounts is tax deferred, you may check "tax deferred" for type of income and "none" amount of income (Blocks C and D, respectively).

*For examples of how to report 529 plans, refer to the sample FD Statement beginning at page SF-1 for the Form A and SF-15 for the Form B.*

#### Reporting of Investment Funds

Filers are not required to report on either an FD Statement or PTR the holdings of or transactions made in a widely held investment fund (e.g., a mutual fund, an exchange traded fund (ETF), or a defined benefit pension) if:

1. The asset is a fund;
2. The fund has 100 or more investors;
3. The filer does not exercise control over or have the ability to exercise control over the financial interests held by the fund; and
4. (a) The fund is publicly traded; or  
(b) The assets of the fund are widely diversified.

If a fund meets these criteria, it is an Excepted Investment Fund (EIF). *Even if a fund is an EIF, the filer must still list the fund on the FD Statement if it is worth more than \$1,000 at the end of the reporting period or generated more than \$200 in income during the reporting period.*

A holding is widely held if it has more than 100 participants or investors. When determining if a fund is widely held, a filer should count all of the individuals in the fund, including the partners, members, and participants. Specifically, the filer should not just count the number of partnerships, LLCs, and legal entities participating in the fund. For example, AppleRock LLC is comprised of 6 limited partnerships, with 20 members each. For purposes of determining whether AppleRock LLC is considered widely held, the filer would count the total number of members and individual investors in the LLC. In this example, AppleRock LLC is widely held because it has 120 participants.

If a fund is publicly traded, like a mutual fund or ETF, the fund will meet the criteria of an EIF as long as you, your spouse, and your dependent child do not control or have the ability to exercise control over the financial interests in the fund. In addition, if the ticker symbol for the fund ends in an "X", for example the Vanguard 500 Index Fund (VFINX), then the fund qualifies as an EIF unless the fund fails the control test.

A holding is also considered publicly traded if it is publicly available, *i.e.*, if it is open for investment by any member of the public. A publicly available holding does not necessarily have to be publicly traded. For example, an investment fund that is only available to members of a family or partners of a law firm would not be publicly available. On the other hand, an investment fund that requires a minimum net worth or initial investment amount would not be a bar to the fund being considered publicly available. Also, a fund that was publicly available at the time of investment but is now closed would be considered publicly available for purposes of meeting the excepted investment fund test. For example, ABC Fund, a fund that was formerly open and available to the public, is now closed to new members. Filers should consider whether ABC Fund was

publicly available at the time of their investment and, if so, then it meets this part of the test. If you are relying on a fund being publicly-available to meet the EIF criteria, please provide the name of the fund and indicate that it is an EIF by checking the "EIF" box in Column A.

A fund is widely diversified if it:

1. Holds no more than 5% of the value of its portfolio in the securities of any issuer (other than the U.S. government); and
2. Holds no more than 20% of the value of its portfolio in any particular economic sector or geographic region.

Further explanation of certain terms used in the definition of "widely diversified" is as follows:

- **Issuer:** A legal entity that develops, registers, and sells securities for the purpose of financing its operations.
- **Economic Sector:** An area of the economy in which businesses share or offer the same or a related product or service and share common characteristics. Investors use sectors to place stocks and other investments into categories like telecommunications, technology, health care, energy, and utilities.
- **Geographic Region:** A single region of the globe, such as Europe, Asia, or Latin America, or an individual country or small group of countries. This definition only applies to geographic regions outside the United States.

Mutual Funds, Exchange Traded Funds (ETFs), and Publicly-Traded Real Estate Investment Trusts (REITs). You must disclose the *full name* of each mutual fund or ETF (*e.g.*, "Fidelity Magellan Fund" or "Janus 20 Fund"), as well as any reportable income generated by the fund (*including reinvested income, unless it is received in a tax-deferred account*). Listing only "Fidelity funds" or "mutual funds" would be insufficient since the specific investment would not be identified. The category of value of the investment, and the type and amount of any income, *even if reinvested (unless held in a tax-deferred account)*, must also be disclosed.

You need not disclose specific stocks held in a mutual fund, ETF, or other widely diversified investment trusts so long as (1) the holdings of the mutual fund, ETF, or investment trust are publicly traded (or are otherwise a matter of public record), *and* (2) you, your spouse, and dependent child have no ability to exercise control over the specific holdings of the mutual

fund, ETF, or investment trust. Both of these requirements must be satisfied in order to list only the name of the fund rather than the individual holdings. If you possess the legal power to exercise control over specific holdings, you must disclose each holding that exceeds \$1,000, whether or not you exercise that power.

Closely related to mutual funds are Real Estate Investment Trusts (REITs). REITs manage a portfolio of diversified real estate equity or mortgages and sell shares to individual investors. Publicly-traded REITs should be disclosed in the same manner as mutual funds. For privately-traded REITs, please see the discussion below.

*For examples of how to report mutual funds, refer to the sample FD Statement beginning at page SF-1 for the Fann A and SF-15 for the Fann B.*

Hedge Funds, Private Equity Funds, Privately-Traded REITs, and other private funds. Hedge funds, private equity funds, and privately-traded REITs are private investment vehicles that are open to a limited class of investors and frequently require a very large initial minimum investment.

You must disclose your, your spouse's, or your dependent child's ownership interest in each hedge fund or private equity fund that meets either of the reporting thresholds. If the fund qualifies as an EIF, you must disclose the name of the fund and indicate it is an EIF in Block A and its year-end value in Block B. Type and amount of income, if any, should be disclosed in Blocks C and D, respectively.

If the fund does not qualify as an EIF, you must either list each asset held in the fund, and the value and amount and type of income of each asset; or submit to the Committee letters from you and from the manager of the investment fund attesting to the following:

1. That neither you, your spouse, nor your dependent child is able to control or direct the investments made by the fund; and
2. That you, your spouse, and your dependent child:
  - a. are *not* entitled to receive investment information. Include an attestation that the fund manager considers the information regarding the investments made by the fund to be proprietary and confidential and as a result that information is not shared with investors in the fund; or
  - b. *are* entitled to receive investment information but are subject to a confidentiality agreement that

prohibits you from disclosing that information. Include:

- i. a description of the types of information fund investors receive; and
- ii. a copy of the confidentiality agreement.

The letter must be on fund letterhead and signed by a representative of the fund. The letter must be provided to the Committee on Ethics and must be updated if there are any changes. Once an acceptable letter has been received, you must disclose the name of the fund and indicate that there is a "(fund manager letter on file with the Committee on Ethics)" in Block A and its year-end value in Block B. Type and amount of income, if any, should be disclosed in Blocks C and D, respectively.

If the fund is managed by the filer's spouse or filer's dependent child, the filer must disclose the interest in the fund in the same manner as a *privately-held company that is actively engaged in a trade or business* (such as a restaurant or car dealership), with one addition. The filer must provide (1) the name of the business; (2) a brief description of the nature of its activities; (3) its geographic location (city and state); and (4) indicate the filer's spouse or dependent child participates in the management of the fund in Block A of Schedule A. For example, "ABC Fund, investment management, New York, NY (spouse is fund manager)." It is not necessary to provide an itemized list of the assets of the business. You need only list the total value of *your* interest in the business and not list the individual holdings of the fund.

Corporate Securities. Types of reportable securities include stocks and bonds. Each security, as well as any reportable income generated by that security (*including reinvested income*) must be individually disclosed. You are not required to provide such information as the number of shares, maturity date, or interest rate. Provide the complete name of the company or security; do not use only stock trading or "ticker" symbols.

For stock options (including those held in Employee Stock Option Plans), list in Block A the specific stock name, if applicable, whether the option is a call or a put, the purchase price under the option ("strike price"), and the date on which the option will expire, and, if applicable, whether it is a put or call.

For securities or an ownership interest in a privately-held company that is not publicly traded, you must also provide a brief description of the trade or business and the city and state of its location in Block A. See page 19 of this booklet for a detailed discussion of ownership

interests in privately-held partnerships and corporations.

*For examples of how to report corporate securities, refer to the sample FD Statement beginning at page SF-1 for the Fann A and SF-15 for the Form B.*

**Futures and Options.** Futures contracts are agreements to buy or sell a commodity (such as agricultural products) or a financial instrument at a stipulated price, quantity, and time. Options contracts grant a right, but not a legal obligation, to buy or sell a security on specified terms. Futures and options involving the same commodity or security must be disclosed if their period-end value exceeds \$1,000 or their income during the reporting period exceeded \$200.

For stock options (including those held in Employee Stock Option Plans), list in Block A the specific stock name, the purchase price under the option ("strike price"), the date on which the option will expire, and, if applicable, whether it is a put or call.

**Government Securities and Agency Debt.** These terms refer to debt obligations issued by federal, state, or local governments, or by Government Sponsored Enterprises (GSEs). Such securities generally fall into three categories:

- U.S. Treasury Securities – debt obligations issued by the federal government and secured by the full faith and credit of the United States. These include Treasury bills, Treasury notes, Treasury bonds, and U.S. savings bonds.
- Agency Securities – debt obligations issued by federal agencies and GSEs. A common agency security issuer is the Government National Mortgage Association (Ginnie Mae). Common GSE issuers include the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Banks.
- Municipal Securities – debt obligations (bonds and notes) of U.S. states, cities, counties, or other political subdivisions of states.

If you own different types of government securities or agency debt issued by the same authority, such as U.S. Treasury obligations or municipal bonds, it is not necessary to provide an itemized list of each security worth over \$1,000. Rather, you may simply report the aggregate value of the securities issued by the same authority and identify the type of securities. For example, "U.S. Treasury bonds and notes" and "New York Port Authority Bonds" are acceptable descriptions; "Municipal bonds" is insufficient since the issuing authority is not identified.

Securities pay interest in different ways. On many bonds, interest accrues during the lifetime of the instrument, but is not paid until maturity. If you can determine the interest that has accrued in a particular period, you may report that amount. However, you may find it easier to wait until a bond matures and report all of the interest at that time. That approach is acceptable as long as you use it consistently.

*For examples of how to report government securities, refer to the sample FD Statement beginning at page SF-1 for the Fann A and SF-15 for the Form B.*

**Asset-Backed Securities.** This term refers to a security whose value and income payments are derived from and collateralized (or "backed") by a specified pool of underlying assets such as mortgages, auto loans, or credit card receivables. The monthly payments from the underlying assets typically consist of principal and interest. Provide the complete name of the security on Block A and disclose the income in the same manner as government securities.

**Annuities.** An annuity is a contract with a life insurance company whereby the investor pays a premium to the insurance company in either a single payment or a series of payments. In return, the insurance company makes payments to the investor, beginning at some future time, such as at retirement or at a specific age.

There are two basic types of annuities:

*Variable annuities* offer investors a limited series of investment options, typically mutual funds, and pay a return based on the performance of the investments they choose. You must disclose in Block A the name of the issuing company (indicating parenthetically that it is a variable annuity) and *each* investment option in Block A that had a period-end value of more than \$1,000 or generated income during the reporting period in excess of \$200. You must also disclose the type and amount of income, if any, in Blocks C and D, respectively.

*Fixed annuities* offer a specified rate of return that the issuing company guarantees. Fixed annuities do not allow investors to choose among investment options and investors have no financial interest in how the issuing company invests the premiums. For fixed annuities, you must disclose the name of the issuing company (indicating parenthetically that it is a fixed annuity) in Block A and its year-end value in Block B. For year-end value, you may use the annuity's face value, the company's estimate of year-end value, or the value of your paid premiums plus accrued income. You are not required to disclose income generated by a fixed annuity until you begin receiving payments. If

you are receiving payments, in Block C identify the payments as "Annuity Payments" in the "Other Type of Income" column and provide the amount in Block D. If you are not receiving payment, you may report "N/A" in the "Other Type of Income" column in Block C.

**Insurance Policies.** The type of insurance policy you own will determine whether, and to what extent, you must disclose your ownership interest in this type of asset.

A *variable life* insurance policy allows the policyholder the discretion to choose among a variety of investment options. For this type of policy, you must disclose in Block A the name of the insurance company and *each* investment option that had a year-end value of more than \$1,000 or generated income in excess of \$200 during the reporting period. You must also disclose the type and amount of income, if any, in Blocks C and D, respectively.

For *whole life* or *universal life* insurance policies, which simply have a cash value, you must disclose only the name of the insurance company, the type of policy, and the category of the policy's year-end cash value in Block A. You are not required to disclose income generated by whole life or universal life policies and may check "None" for the type and amount of income in Blocks C and D, respectively.

There is no requirement to disclose a *term life* insurance policy or life insurance obtained through your House employment.

If you own a *convertible life* insurance policy that has not been converted to a whole life policy, you do not need to disclose the policy.

**Bank Accounts.** In order to determine whether deposits in a bank account must be disclosed, you must first add together all interest-bearing checking and savings accounts held by you, your spouse, or a dependent child at every financial institution in which you have such accounts. If the total value of these accounts exceeded \$5,000 at the end of the reporting period, then you must disclose each financial institution that held deposits valued at more than \$1,000. You must also report any interest-bearing account that generated more than \$200 in interest during the reporting period, even if it was valued at less than \$1,000 at the close of the reporting period or your total deposits were less than \$5,000.

The accounts to be reported under these rules include interest-bearing, cash-deposit accounts at banks, credit unions, and savings and loan associations, including interest-bearing checking accounts, passbook, and other savings accounts; money market accounts; negotiable order of withdrawal (NOW) accounts; certificates of deposit (CDs); and individual retirement

accounts (IRAs) held in the form of savings accounts or CDs. Unlike all other assets disclosed on Schedule A, *there is no requirement to disclose transactions related to bank accounts on Schedule B, including the opening and closing of bank accounts or deposits to or withdrawals from such accounts.*

Money market funds are considered cash equivalents and are reported in the same manner that you report bank accounts. Thus, you need not report each deposit or withdrawal over \$1,000 even though these transactions may technically be purchases and sales of shares in the account.

All accounts at one institution, including those of a spouse or dependent child, may be combined as one entry. Thus, for example, you may report a checking account, savings account, and certificate of deposit at the First National Bank of Georgia by stating "First National Bank of Georgia accounts," and aggregating the total year-end values and interest income.

If you are listed on an account purely for custodial reasons and you do not assert any ownership rights to the assets in the account (for example, if you are a joint tenant with an elderly relative), you need not report the account.

**Ownership Interests in Privately-Held Partnerships, Corporations, and Other Business Entities.** The manner in which you disclose ownership interests in a privately-held company depends on whether the company is actively engaged in a trade or business or was formed to hold investments (typically real estate).

To disclose your ownership interest (or that of your spouse or dependent child) in a *privately-held company that is actively engaged in a trade or business* (such as a restaurant or car dealership), you must provide (1) the name of the business; (2) a brief description of the nature of its activities; and (3) its geographic location (city and state) in Block A of Schedule A. For example, "Peterson Construction Company, residential home builder, Phoenix, AZ." It is not necessary to provide an itemized list of the assets of the business. You need only list the total value of *your* interest in the business and not such items as office equipment.

To disclose an ownership interest in a *privately-held company that was formed for the purpose of holding investments*, you must disclose each asset held by the company in which your interest (or that of your spouse or dependent child) had a period-end value of more than \$1,000 or generated more than \$200 in income during the reporting period. Limited partnerships and limited liability companies are frequently formed for the purpose of holding real estate. If, for

example, you are a partner in a limited partnership that owns five rental properties, you must separately disclose each property in which your interest exceeded \$1,000 or your rental income derived from that property exceeded \$200. You may, *but are not required to*, provide an exact street address for each property the company owns. However, when disclosing multiple properties, the property descriptions must be distinguishable from one another and used consistently from year to year.

A limited partner generally receives a Schedule K-1 (IRS Form 1065) at the end of each tax year summarizing the partner's share of income, deductions, and credits. If you hold a partnership interest, you need not report separately each type of income in which you shared (e.g., "ordinary income," "portfolio income," "capital gain," and "investment income"). Instead, you may combine the income types and report the total as "Partnership Income." This total normally will be the sum of the income reflected on lines 1 through 11 and 18 of your K-1 form. Your share of income must be reported even if you do not physically receive the funds. However, as long as amounts received do not exceed the total invested, withdrawals and distributions from your capital account need not be reported, since you are receiving your own money back. If you do not receive your K-1 form prior to your filing deadline, it is acceptable to provide a good faith estimate of the income based, for example, on the income received in the prior year. Once you receive your K-1 form, you should amend your Statement if the category of value of your good faith estimate is different than the actual income received.

*For examples of how to report interests in privately-held companies, refer to the sample FD Statement beginning at page SF-1 for the Form A and SF-15 for the Form B.*

**S Corporations.** S Corporations are corporations that elect to pass corporate income, losses, deductions, and credits through their shareholders for federal tax purposes. Shareholders of S corporations report the flow-through of income and losses on their personal tax returns and are assessed tax at their individual income tax rates.

S Corporations are disclosed in the same manner as businesses actively engaged in a trade or business. You must provide the name of the corporation, briefly describe the nature of its activities, and state its geographic location (city and state) in Block A of Schedule A.

The manner in which you report income (also referred to as "dividends") from an S Corporation

depends on how it is derived. Where your personal services generate significant income for the business, you should report the payments on Schedule C as earned income, rather than as "unearned" income on Schedule A. On the other hand, where the dividends truly reflect a return on investment, you should report them as "unearned" income on Schedule A. No matter how the dividends are characterized, you must list the value of the business on Schedule A.

*PLEASE NOTE: Beginning in 2014, S Corporations must be disclosed in the same manner as any other Ownership in Privately-Held Business, as outlined starting on page 19. This applies to PTRs filed in 2014 and to annual and termination FD Statements that report assets held in 2014 (which annual filers will be due on May 15, 2015).*

**Debts Owed to the Filer.** Debts owed to the filer may be a reportable asset. If you are owed more than \$1,000 by anyone other than your spouse, or a parent, sibling, or child of you or your spouse *and* you are charging interest on the debt, you must disclose the name of the person or entity and their city and state of residence, the category of value of the debt, and the category of value of the interest received. Loans to a campaign committee must be disclosed if interest is being charged, including those situations where the interest is being passed through the filer to a bank or other financial institution.

*For examples of how to report debts owed to the filer, refer to the sample FD Statement beginning at page SF-1 for the Form A and SF-15 for the Form B.*

**Trusts.** If you, your spouse, or a dependent child receive income from or have a vested beneficial interest in principal or income in a trust or a similar financial arrangement, each asset held by the trust that had a fair market value of more than \$1,000 at the end of the reporting period or generated more than \$200 in income during the reporting period must be disclosed. You must disclose the assets of the trust even if you currently receive no income from the trust but have a vested interest in the principal.

If you are *not* the sole beneficiary, disclosure may be done in one of two ways: 1) disclose only those assets where your interest is greater than \$1,000; or 2) indicate your percentage interest in the description of the trust and provide the full value of the assets. For example, if you had a one-fifth interest in a trust, you would disclose all assets worth more than \$5,000, together with a category of value that reflects the value of your interest. Alternatively, you may disclose in Block A on Schedule A that you have a one-fifth

interest in the trust and then you must list each asset of the trust that had a value in excess of \$5,000 at its full value. You must clearly state which of these two alternatives you are using and use it consistently from year to year.

Holdings of an estate or trust for which you are merely an administrator or executor, receiving no income and having no beneficial interest in the corpus, need not be reported. Similarly, disclosure is not required if your interest is strictly contingent. For example, if you stand to inherit certain property, but the current owner could dispose of it in the meantime, you need not report the property. Report such a holding only when your rights to it have been legally established, *i.e.*, if the trust is irrevocable and you, your spouse, or your dependent child are a vested beneficiary or upon completion of probate.

In two rare circumstances, disclosure of trust assets is not required. If you are the beneficiary of a trust that falls into either of the categories described below, you should answer "Yes" in response to the "Trust" question on Page 1 of the form.

The first category is for trusts termed "*excepted trusts*." A trust is deemed to be an excepted trust if it meets two criteria: (1) the trust was not created by you, your spouse, or a dependent child; and (2) none of you has specific knowledge of the assets or sources of income of the trust through a report, statement, or constructive receipt, whether intended or inadvertent. Constructive receipt occurs when a person is considered to have received information, even without having actual possession, such as when the legal requirements for delivery have been satisfied. *Filers may never blind themselves from knowledge of the trust assets by simply avoiding information that is made available to them.*

For these types of trusts, you must disclose the name of the trust and indicate the general type of holdings to the extent known in Block A (*e.g.*, "Peterson Family Excepted Trust believed to contain energy stocks"). Unless it is known, you are *not* required to disclose the total period-ending value of the trust in Block B. If any income in excess of \$200 was received from the trust during the reporting period, you must check the "Excepted/Blind Trust" column in Block C and indicate the category of value of the income in Block D. If no income was received, check "None." There is no requirement to disclose transactions related to the assets of an excepted trust. *Before indicating for the first time that you are the beneficiary of an excepted trust, you must consult with the Committee.*

The second exception from disclosure of trust assets is for trusts that are "*qualified blind trusts*" as defined in the EIGA (5 U.S.C. app. 4 § 102(±)(3)). A qualified blind trust is a device employed by federal officials to hold, administer, and manage their private financial assets and investments (including those of their spouse and dependent children) as a method of avoiding conflicts of interest. These trusts must be approved in writing by the Ethics Committee.

For this type of trust, you must disclose in Block A the existence of the qualified blind trust and the total year-end value of the trust in Block B. If any reportable income was generated by the assets held in the trust during the reporting period, check the "Excepted/Blind Trust" column in Block C and indicate the category of value of the income in Block D. If no income was received, check "None." There is no requirement to disclose transactions related to the assets of the trust.

In the event that a newly-formed trust is approved by the Committee as a qualified blind trust, all assets transferred to the trust upon its creation and subsequently (for as long as the trustor is required to file FD Statements) must be identified, valued, and made available to the public in the same manner as are FD Statements. The EIGA itself should be consulted for the specific requirements concerning a qualified blind trust (*see Appendix A, pages A-6 through A-9*).

**Investment Clubs.** If you participate in an investment club, you must disclose your share of the holdings to the extent your interest (or that of your spouse or dependent child) in any particular asset exceeded \$1,000 at the end of the reporting period or your share of income from any one holding exceeded \$200 during the reporting period. If your interest in a transaction exceeded \$1,000, that transaction also must be disclosed on Schedule B.

**Collectibles Held as Investments.** Personal property, if held for investment or the production of income, must be disclosed if it meets either of the reporting thresholds. Collectibles can include, but are not limited to, works of art, vintage automobiles, stamps, jewelry, precious metals, rare coins, and books. There is no requirement to disclose collectibles if held strictly for enjoyment or utility. For example, antique household furnishings and paintings displayed for decorative or artistic purposes would not be collectibles held for investment, while periodic sales from a coin collection would indicate an investment purpose.

For collectibles held as investments, provide a brief description (such as "rare books" or "Impressionist oil paintings") in Block A and

indicate the period-end value in Block B. Purchase price, a recent appraisal for insurance purposes, a published price guide, the recent sale price of similar items, or a good faith estimate of value are common methods of determining the fair market value of collectibles. Blocks C and D should contain the type of income earned during the reporting period, if any, and the category of the amount. This will ordinarily be "None" until the items from the collection are sold, at which time there may be capital gains.

**Intellectual Property Rights.** Under intellectual property law, owners of intellectual property are granted certain exclusive rights to a variety of intangible assets, including musical, literary, and artistic works; discoveries and inventions; and words, phrases, symbols, and designs. Common types of intellectual property include copyrights, trademarks, and patents. Filers must disclose their ownership interests in intellectual property that meet either of the reporting thresholds by providing a brief description in Block A (such as "*Elements of Physics* textbook published by Simon and Schuster") and the category of period-end value in Block B. The period-end value includes any advances and contract payments in the form of earned income that have not yet been received for transfer of the intellectual property to the publisher, as well as any royalties currently due from the publisher for completed sales. When an interest in future royalties cannot be ascertained, it is acceptable to report "indefinite" or "unascertainable" in Block B. Disclose the type of income in Block C (e.g., by listing "royalties" in the "Other Type of Income" column) and the amount of income in Block D.

Please note that Members and senior staff employees are prohibited from receiving advance payments on royalties for book publishing contracts and that all such contracts must be submitted in writing and approved in advance by the Committee.

#### Exclusions

The following assets are not required to be disclosed, regardless of their value:

- Personal residences that generate no rental income;
- Real property not held for investment purposes or the production of income (such as second homes and vacation homes that generate no rental income);
- Deposits in non-interest-bearing personal checking or savings accounts, regardless of amount;
- Debts owed to you by your spouse, or by a parent, brother, sister, or child of you or your spouse;

- Debts owed to you for which you are not charging interest;
- Personal property that is not principally held for investment or the production of income (such as furniture, automobiles, boats, jewelry, and artwork);
- Financial interests in or income derived from any *federal* retirement system, including the Thrift Savings Plan;
- Term life insurance policies; and
- Health Savings Accounts.

#### Asset Comparison on Successive Filings

As part of its review, the Committee compares the assets listed on a filer's previous FD Statement and the transactions reported on PTRs in the previous year with those reported on the current year's Statement. *Every asset from your prior Statement should be accounted for in your current Statement.* If an asset appears for the first time, or if a previously-reported asset is no longer disclosed, the reviewers look for a corresponding report of a purchase, sale, or exchange on the "Transactions" schedule. If none appears, the Committee may contact the filer to make certain that the item was not inadvertently omitted. *In those situations where an asset either appears or disappears due to a non-reportable transaction, it is strongly recommended that you include a footnote or parenthetical explanation* (e.g., "AYZ Corp. stock, spun off from Allied Corp." or "Big Corp., formerly Medium Corp."). In addition, if you have a transaction that was reported on a PTR but is not reported on the FD Statement or vice versa, or if the information reported on the PTR and FD Statement is not the same, the Committee may contact the filer regarding the omission or conflicting information.

#### Column-By-Column Instructions for Schedule A on the Paper Form

*Please refer to the sample FD Statements beginning at page SF-1 in this instruction booklet for specific examples of how assets should be disclosed.*

**Spouse, Dependent Child, or Jointly Held (column within Block A):** As noted above, you generally must report information regarding the assets and unearned income of your spouse or dependent children to the same extent you would report your own. You may, *but are not required to*, indicate that an item is that of a spouse or dependent child, or is jointly held, by including a "SP" for spouse, "DC" for dependent child, or "JT" for jointly-held property in the first column of Block A. If you use these labels, please do so consistently each year for each filing. For example, if an asset was labeled "SP" on

Schedule B, the previous FD Statement, or a PTR, it should be labeled "SP" on this Schedule.

**Identity of Asset and/or Income Source (Block A):** Each asset listing should provide clear information regarding its identity, including the nature of the holding and its location, where appropriate.

For *real property*, provide a brief description including the city/county and state. This may be a street address (e.g., 123 Main St., Denver, CO) or a description of the property (e.g., "rental property, Seattle, Washington"). If you are listing multiple properties, the description must be sufficiently unique to enable the reviewer to distinguish one property from another. Property descriptions must be consistent from year to year and Schedule to Schedule.

As discussed previously on page 19, if you own an interest in a partnership or limited liability company established for the purpose of holding real estate, you must provide in Block A the name of the company as well as a brief description of each individual property held by the company. For example, "Tysons Limited Partnership, owning Tysons Shopping Center, Tysons Corner, Virginia").

For *publicly-traded securities, mutual funds, bonds, and other similar assets*, provide a brief description of the name of the company in which the interest is held and the type of interest (such as stock or bond). *Do not use only trading or "ticker" symbols to describe publicly-traded securities.* You may use them in addition to the full name of the security, but not in lieu of the asset name. The number of shares need not be reported.

For ownership interests in *privately-held companies*, provide the name of the company, a brief description of its activities, and the city and state of its location. For example, "The Wheel, (restaurant and bar) Lawrence, Kansas."

For *banks and savings institutions*, provide the name of the bank. You should also provide the city and state of its location if it is not apparent from the name or is not a nationally-recognized name such as Bank of America or Wells Fargo.

**EIF (column within Block A):** If you have an asset that is not publicly-traded but you are asserting is an EIF, place an "X" in this column.

**Value of Asset (Block B):** Indicate the period-end value of each reportable asset by placing an "X" in the column of the appropriate range of value, designated A through M. As explained above in the "Valuation of Assets" discussion, providing a *good faith estimate* of the fair market value of an asset if the exact value is neither known nor easily obtainable is an

acceptable method of valuation. See page 13 of this booklet for a list of alternative valuation methods.

The Value of Asset block includes a "None" box. Mark this box if an asset has been sold and therefore has no value to you at the end of the reporting period, but which you must include because it generated income of more than \$200. For example, if the sale of an asset generated a capital gain of more than \$200, you must disclose this income in Blocks C and D of Schedule A. For year-end value, check the "None" column since you no longer held the asset at the end of the reporting period.

For assets over \$1,000,000 in value that are held solely by your spouse or dependent child, you may mark the "Spouse/DC Asset over \$1,000,000" column. For items that you hold either singly or jointly with your spouse or dependent child, you must mark the other higher categories of value as appropriate.

The fair market value of rental property or other real estate should *not* reflect any mortgage on such property. The law requires that the gross value of property and the gross rent receipts be reported. Any mortgage on the property should be shown as a liability on Schedule D. The gross value of the entire property should be reported even if only part of the property (e.g., the basement of a residence) is used for rental purposes.

**Type of Income (Block C):** "Unearned" income is derived from the assets and other income sources listed in Block A. It includes, but is not limited to, such items as interest, rents, dividends, and capital gains. Place an "X" in the appropriate column, or, if you have some other type of unearned income not specifically listed, provide a brief description (e.g., "Farm Income") in the "Other Type of Income" column. If an asset had more than one type of income, such as dividends and capital gains, you may check each box that applies, and then provide the total amount of income received in Block D. *If you had no income from a particular asset, you must check "None" under both Block C and Block D. Do not leave the columns blank.*

**Important:** Please note filers are not required to disclose unearned income generated by assets held in tax-deferred accounts (including, but not limited to, 401(k), IRA, 529 college savings accounts and other similar accounts). For such accounts, you may check the "tax-deferred" box for type and "none" for amount of income (Blocks C and D, respectively).

**Amount of Income (Block D):** Unearned income must be disclosed on the FD Statement if it totaled more than \$200 during the reporting

period from any one source. Indicate the amount of income by placing an "X" in the column of the appropriate range of income. Note that the categories for reporting "unearned" income are different from those used elsewhere on the form. Thus, they are identified by Roman numerals (I through XII) rather than letters. There is also a "None" category. *If an asset did not generate any income during the reporting period or is held in a tax-deferred account, you must check the "None" box; do not leave the column blank.*

*Capital gains, dividends, interest income, and other types of income must be disclosed even if reinvested (unless the asset is held in a tax-deferred account).*

In reporting income (including that from a business), the gross dollar amount or value must be used. The one exception is in the case of capital gains, where the net gain over basis is shown in Block D, while the gross value of the sale is shown on Schedule B as a transaction. You may also report the net value separately if you so choose.

For income over \$1,000,000 in value that is generated by assets held solely by your spouse or dependent child, you may mark the "Spouse/DC Income over \$1,000,000" column. For items that you hold either singly or jointly with your spouse or dependent child, you must mark the other higher categories of value as appropriate.

**Transactions (Block E):** If an asset was purchased, sold, or exchanged in a single transaction totaling over \$1,000 during the reporting period, you should indicate "P" (for purchase), "S" (for sale), or "E" (for an exchange) in this block. If you sell only a portion of a particular asset (such as half of your Google stock) then you indicate "S (Partial)" for partial sale. In each case, you must also report the details of these transactions on Schedule B. For a more complete explanation of reportable transactions, please refer to the discussion of Schedule B in the next section of this instruction booklet. Leave Block E blank if you had no transactions or if each transaction in the asset was \$1,000 or less in the reporting period.

There are circumstances where an asset disclosed in a previous year no longer needs to be reported, or an asset is reported for the first time, but no reportable purchase, sale, or exchange has occurred. For example, an asset may increase or decrease in value above or below the reporting threshold, an asset may be the property of a new spouse or a former spouse or dependent, or an asset may have been acquired through inheritance. Because the Committee compares the current year's filing with the previous year's and questions assets that appear or disappear without a corresponding transaction, filers may

wish to explain such occurrences parenthetically on, or in a footnote to, Schedule A. For a more complete discussion of the circumstances in which an asset may appropriately appear for the first time or disappear from a prior Statement without a corresponding transaction, please refer to the Schedule B discussion in the next section of this instruction booklet.

*For examples of how to disclose purchase, sale, and exchange transactions, refer to the sample Form AFD Statement beginning at page SF-1.*

#### Note on Brokerage Statements

For any part of Schedule A or B, a computer print-out such as a brokerage statement may be attached in lieu of using the form if you are filing on paper. If you are using the filing software, you may not attach any statements.

Any attachment to the paper form must include all the information required by the form. For Schedule A, the brokerage statement must include the values of each asset held in the account as of the end of the reporting period (December 31 for annual filers). This information is typically included in the last quarterly or monthly statement issued. Schedule A also requires the disclosure of income in excess of \$200 generated by an asset (such as dividends, interest, or capital gains) at any time during the reporting period. Income generated by assets prior to the period of time covered by the period-end statement is frequently NOT included in the period-end statement. In those circumstances, you must supplement the period-end statement with the relevant portions of the prior statements that contain the income information. Alternatively, you may be able to obtain an income summary for the full reporting period from your broker even if one is not normally provided to you.

Schedule B requires the disclosure of transactions occurring in the reporting period that exceed \$1,000. If you choose to submit brokerage statements in lieu of using the form for this Schedule, you must likewise ensure that the statement provides the transaction information for the complete reporting period (rather than just those transactions occurring in the period covered by the period-end statement).

*Even if you attach brokerage statements, you must still list the account name on Schedules A and B and indicate that a statement of your account is attached to your FD Statement.* For example, "Morgan Stanley Brokerage Account (see Attachment 1)." Be sure to clearly identify each statement and number each page of an attachment. You are not required to complete blocks B through E for the account for which you provide attachments. You

should red act or delete from your attachments any confidential information, such as your account number, Social Security number, home address, or the names of your spouse or dependent children, because the attachment will be publicly disclosed as part of your Statement. Such alterations must be made before your Statement is filed with the Credi.

In general, tax forms do not track the financial disclosure requirements and should not be used as attachments.

## SCHEDULE B TRANSACTIONS

*This schedule must be completed by annual and termination filers only.* In general, you must report each purchase, sale, or exchange transaction involving Schedule A assets owned, in whole or in part, by you, your spouse, or dependent child when the amount of the transaction exceeds \$1,000. The \$1,000 threshold is based on the total dollar value of the transaction, not your gain or loss. NOTE: You are not required to report any transaction when the amount is \$1,000 or less, even if you had a series of transactions that totaled more than \$1,000 in a single asset.

*Purchase transactions* that must be disclosed on Schedule B include:

- Individual purchases involving a Schedule A asset in which the transaction amount exceeded \$1,000; or
- Reinvestment of income (such as dividends or interest) in a Schedule A asset in which the amount of a single reinvestment transaction exceeded \$1,000 during the reporting period.

*Sales transactions* that must be disclosed on Schedule B include:

- Individual sales involving a Schedule A asset in which the transaction amount exceeded \$1,000.

*Exchange transactions* are somewhat rare and refer only to a limited set of circumstances that involves either the exchange of stock certificates following the purchase of one company by another, a merger of two companies, or a spin off. For example, if you own stock in Company A and that company is purchased by (or merged with) Company B, your Company A stock may be exchanged for Company B stock. You must indicate the type of exchange transaction in your entry in Block A. If you disclose an exchange transaction, you may do so in a single entry on Schedule B. For example, you may state in the "Asset" column "Company A

stock exchanged for Company B stock following merger."

*Please note that purchase and sales transactions involving assets held within retirement accounts such as 401(k) plans and IRAs must be disclosed, including those resulting from the contribution of an employer.* For example, if you have a 401(k) plan and direct the plan administrator to sell your entire holding in "Small Cap Fund" and purchase shares in "Large Cap Fund," you must separately disclose each of these transactions on Schedule B if the amount of the transaction exceeded \$1,000. Transfers between currently-held assets within these accounts are also considered purchase and sales transactions for financial disclosure purposes. These types of transfers are commonly referred to as reallocation or rebalancing of funds.

The reporting threshold for disclosure of transactions is reached when the *gross* amount of a single purchase or sales transaction exceeds \$1,000. *This includes transactions that result in a net loss.* Thus, a sales transaction of an asset for \$5,000 for which you previously paid \$7,000 must be disclosed even though it resulted in a \$2,000 net loss.

With very few exceptions, every *purchase* or *exchange* transaction disclosed on the FD Statement requires that the asset involved also be disclosed on Schedule A along with an indication of that transaction by placing a "P" or an "E" in Block E of that Schedule. One exception to this general rule would be in the case of an asset that decreases in market value following its purchase. For example, if you purchased a stock for \$1,200 in July 2014, but its market value fell to \$900 at the end of the year, you must disclose the purchase transaction because it exceeded \$1,000, but you would not be required to disclose the asset on Schedule A because it was not worth more than \$1,000 at the end of the reporting period (assuming that it had less than \$200 of income). In such cases, however, it would be advisable to list the asset on Schedule A with a value of \$1-\$1,000 at the end of the reporting period.

*Sales transactions* may or may not require a corresponding entry on Schedule A, depending on the circumstances. *If you sell your entire holding of an asset,* you are not required to disclose the asset on Schedule A *unless* there is a capital gain generated by the sale which exceeds \$200 or there was other reportable income (such as dividends) during the reporting period exceeding \$200 attributable to the asset prior to its sale. If there was such a capital gain or other income generated by the asset exceeding \$200, you must disclose that income in Blocks C and D on

Schedule A, but indicate the value of the asset as "None" in Block B since it had no value at the end of the reporting period.

You are *not* required to disclose transactions involving a *fed eral* retirement system (e.g., monthly contributions, or withdrawals), including the Thrift Savings Plan.

*Note on Partial Sales of Assets:* Where only a portion of an asset is sold (e.g., half of your shares in Mega Corporation), please check the "Partial Sale" box on Schedule B.

#### Column-by-Column Instructions for Schedule B on the Paper Form

*Please refer to the sample Form A FD Statement beginning at page SF-1 in this instruction booklet for specific examples of how transactions should be disclosed.*

**Spouse, Dependent Child, or Jointly Held Column.** As noted above, you must generally report information regarding the transactions of your spouse or dependent children to the same extent you would report your own. You may, *but are not required to*, indicate that a transaction involves an asset that is held by your spouse or dependent child, or is jointly held, by including an "SP" for spouse, "DC" for dependent child, or "JT" for jointly held property. If you use these labels, please do so consistently each year for each filing. For example if an asset was labeled "SP" on Schedule A, on the previous FD Statement, or on a PTR, it should be labeled "SP" on this Schedule.

**Asset Column.** Provide the complete name of the asset for which a reportable transaction has occurred. You may not use ticker symbols exclusively, but may add them to supplement the complete name of the asset. Asset descriptions used on Schedule B should be *identical* to those used to describe the same asset on Schedule A. For example, for options, include the type of option (call or put), strike price, and expiration date.

**Type of Transaction Column.** Indicate the type of transaction (purchase, sale, partial sale, or exchange) by placing an "X" in the appropriate box. Multiple transactions of the *same* type involving the same asset (e.g., three purchases of Google stock) may be combined into a single entry if they are made at regular intervals, such as monthly or quarterly, or are automatic reinvestments. You *may not*, however, combine multiple transactions that you *initiate* at irregular intervals, unless you provide all of the dates in the date column (e.g., purchases of Google stock on January 6, May 12, and October 26). Nor may you combine multiple transactions of *different* types involving the same asset (e.g., a purchase and two sales of Google stock) into a

single entry. If you choose to combine multiple transactions, you must follow the instructions below for completing the "Date" column when multiple transactions are combined.

**Capital Gain Column.** On sales transactions only, place an "X" in this box if a sale resulted in a capital gain in excess of \$200, unless the asset was held in a tax-deferred account. *If you check this box, you must report the capital gain on Schedule A.*

**Date Column.** Indicate the month, day, and year of the transaction. For securities, the transaction date is generally the trade date.

Multiple transactions, at regular intervals, of the *same type* involving the same asset may be combined into a single entry. The manner in which you report the date depends upon the quantity of transactions. If the transactions are at regular intervals, indicate the interval (e.g., "monthly"). If it is an automatic dividend reinvestment, use the frequency of the reinvestment to indicate the date (e.g., "monthly" or "quarterly").

**Important:** You *may not* combine multiple transactions that you *initiate* at irregular intervals. You must provide the month, day, and year for each of these transactions, but you can include multiple dates on the same line.

If you are filing on paper, you may choose to attach brokerage statements or transaction summaries to your FD Statement as an alternative to completing Schedule B in its entirety. Before doing so, please refer to the discussion on the use of brokerage statements on page 24 of this booklet.

**Amount of Transaction Column.** The amount to be reported is the category of value of the total purchase price or total sales price (or the fair market value in the case of an exchange). As explained above, use the *gross* amount of a transaction to determine in which amount category to disclose a transaction. The extent of any capital gain or loss on the transaction is irrelevant for the purposes of determining the transaction amount.

For transactions over \$1,000,000 in value in assets that are held solely by your spouse or dependent child, you may mark the "Over \$1,000,000 (Spouse/DC Asset)" column. For items that you hold either singly or jointly with your spouse or dependent child, you must mark the other higher categories of value as appropriate.

**Partnership Transactions.** You are only required to disclose transactions related to the ownership interests in privately-held companies that were formed for the purpose of holding

investments (typically real estate). If, for example, you are a partner in a limited partnership that owns five rental properties, you must separately disclose each transaction (such as the purchase of an additional rental property) in which your share exceeds \$1,000. There is no requirement to disclose transactions made by a privately-held company in which you, your spouse, or dependent child have an ownership interest if the company is engaged in a trade or business (such as a restaurant or family farm).

#### Exclusions

The following transactions are not required to be disclosed:

- The purchase or sale of your personal residence so long as it generated no rental income during the reporting period;
- The purchase or sale of real property such as a second home, vacation home, or vacant land so long as it generated no income during the reporting period;
- The purchase or sale of personal property such as an automobile or boat;
- Any transactions solely by and between you, your spouse, or your dependent child;
- Bequests or inheritances;
- A gift or donation to or from you, your spouse, or your dependent child;
- Stock splits;
- The opening or closing of bank or similar accounts (such as money market funds);
- Deposits to and withdrawals from a bank or similar accounts (including checks written on money market accounts);
- The purchase or sale of certificates of deposit;
- The call or redemption of a bond;
- A company's grant of options to its employees or board members; and
- The rollover of assets from one retirement account to another.

### SCHEDULE C EARNED INCOME

You are required to disclose the following payments to you if they aggregated to \$200 or more from a single source in the reporting period:

1. Earned income from employment outside the House; and
2. Honoraria. For new Members and employees, candidates, principal assistants and all filers' spouses.

*Earned income*, reportable on Schedule C, is generally income the filer receives resulting from

"the fruit of their labor." By contrast, income that is unearned, or passive in nature, such as dividends, rent, and partnership income, should be reported on Schedule A, as discussed above. The earned income filers report on Schedule C is intended to be comprehensive and means "all income from whatever source derived, including but not limited to the following items: compensation for services, including fees, commissions, and similar items; gross income derived from business (and net income if the individual elects to include it) . . . ."

*Honorarium* refers to a payment of money or anything of value for an appearance, speech, or article, excluding any actual and necessary travel expenses incurred by the individual (and one relative) to the extent that such expenses are paid or reimbursed. Members and employee who qualify as senior staff for more than 90 days are prohibited from accepting honoraria, but may have the payment made to a charity in lieu of acceptance. These filers should refer to the discussion regarding Schedule I, Payments Made to Charity in Lieu of Honoraria at page 35, for the rules regarding the acceptance and reporting of these payments.

**Spouse and Children.** You must disclose the source and type, *but not the amount*, of your spouse's earned income that totaled \$1,000 or more from a single source (including the federal government). In the "Amount" column of Schedule C, you may enter "N/A" for entries related to your spouse's employment. You must also disclose the source, type, *and* amount of your spouse's honoraria that totaled \$200 or more.

You do not need to disclose any information regarding the earned income or honoraria of a dependent child.

#### Reportable Earned Income

You must disclose the following types of earned income which meet the reporting thresholds above:

- Earned income from any source other than your current U.S. government employment.
- Pension and retirement payments from any source other than the U.S. government or Social Security.
- IRA and 401(k) distributions.
- Benefits payments from state or local governments, such as unemployment compensation.

Report the source and type of earned income. Identify the source by naming the organization, corporation, or other entity making the payment. It is not necessary that individual clients of a business be named, only the business itself. For example, on Schedule C, an accountant would

report the name of the accounting firm as the source of earned income, not the clients for whom the work was performed. Describe the type of income as salary, commissions, fees, pension, etc., as appropriate.

Filers must report the exact amount of income earned by them. Filers are not required to report an amount for their spouse's income; rather they should report "N/A" in the "Amount" column. Filers, however, are required to report the exact amount of an honorarium received by their spouse.

Annual and new Member filers must complete the "Preceding Year" column for amount of income. Candidate, new employee, and some termination (those filing a termination filing on or before the annual filing deadline) filers must complete both the "Current Year" and "Preceding Year" columns. Termination filers filing after the annual filing deadline must complete only the "Current Year" column for amount of income. The law requires that *gross amounts* be used for reporting income. Thus, you must disclose the gross amount of salary or fees without first deducting expenses. Likewise, you must report the gross income of an unincorporated business such as a sole proprietorship you own. You may report the net income in addition to, but not in place of, the gross income figure.

#### Exclusions

You do not have to report the following on Schedule C, regardless of the amount:

- Income from your employment by the House.
- Income from any other current U.S. government employment, including military pay such as from the National Guard or Reserve.
- Benefits from federal retirement programs, and benefits received under the Social Security Act.
- Life insurance proceeds.
- Earned income of a dependent child.
- Disability payments from the federal government, a state government, or a private insurance company.
- Alimony and child support payments.

#### Special Considerations

**Income Cap.** The outside earned income of Members, officers, and employees paid at or above the "senior staff" rate (\$120,749 in 2014 and \$121,956 in 2015) for more than 90 days in a calendar year is subject to an annual earned income limit of 15 percent of the Executive Level II salary. For calendar year 2014, the outside

earned income cap for Members and senior staff is \$26,955 (for 2015 the cap is \$27,255).

Certain types of earned income, such as pensions from prior employers or deferred compensation for services rendered prior to current legislative employment, do not count against the outside earned income limit for the current year. Nonetheless, such income must be reported on Schedule C. You may wish to note parenthetically or in the comment section in the electronic filing system that such income is for services rendered prior to House employment.

**Fiduciary Restrictions.** Regardless of whether the outside earned income cap has been reached, certain compensated professional activities are barred for Members, officers, and those employees who are paid at or above the senior staff rate for more than 90 days in a calendar year. These individuals may not earn *any* income (even an amount below the income cap) for the following:

- Providing professional services involving a fiduciary relationship, such as the practice of law or the sale of real estate or insurance;
- Being employed by an organization that provides fiduciary services;
- Serving as an officer or board member of any association, corporation, or other entity (including charitable or political organizations, or family businesses); and
- Teaching without the prior written approval of the Ethics Committee.

A more detailed discussion of the outside earned income limits for Members and staff is included in the *House Ethics Manual*.

*For examples of how to report earned income and honoraria, refer to the sample FD Statement beginning at page SF-1 for the Fann A and SF-15 for the Fann B.*

## SCHEDULE D LIABILITIES

You must report on Schedule D any debts personally owed by you, your spouse, or your dependent children or that are jointly-held at any time with any individual that were over \$10,000 during the reporting period.

#### Types of Debt That Must Be Disclosed

There are many different types of debt that must be disclosed, including: (1) personal loans (including student loans); (2) mortgages on rental or investment property; (3) revolving charge accounts (*i.e.*, credit card debt); and (4) margin accounts. Members also must disclose mortgages or other liabilities on any

properties, including personal residences. The rules on when these types of debt must be disclosed differ slightly, as explained more fully below.

1. **Personal Loans.** You must report any loan personally owed by you, your spouse, or your dependent child that totaled more than \$10,000 *at any point* during the reporting period. This includes loans to a business for which you are personally responsible. You must report these debts at the highest amount owed during the reporting period. Thus, a loan, such as a student loan, that had over \$10,000 in principal due at some point in the year, but was paid off or paid below that amount, must be listed. (You are free to include additional parenthetical information, such as the fact that the loan was satisfied during the reporting period.)

Example: You are the co-signer for your dependent child's college loan. You must report the loan on Schedule D if the balance exceeded \$10,000 at any point during the reporting period.

2. **Mortgages on Rental or Investment Property.** You must report any mortgage, home equity loan, or home equity line of credit on any property held for investment or the production of income. This would include any interest in rental property, commercial property (such as an office building or shopping mall), or land (including mineral rights) held by you, your spouse, or dependent children. Any liability on real property that generates income must be disclosed. This includes, for example, the mortgage on a vacation or second home that was rented for any portion of the reporting period. You must also disclose liabilities secured by real property held for investment or the production of income even if that property generated no income during the reporting period (such as a rental property that was not leased during the reporting period).

Like personal loans, you must report the debts at the highest amount owed during the reporting period. You must report the entire amount of the mortgage, even if only part of the property (such as the basement) is used for rental purposes.

Note that you must also list the property, and any income exceeding \$200 earned from it, as an asset on Schedule A

3. **MEMBERS ONLY:** Mortgages and other Liabilities on Real Property that is a Personal Residence. Members must report any mortgage, home equity loan, or home equity line of credit on any property held as a personal residence, even if the property did not generate any income. In addition to your primary personal residence, this includes, but is not limited to, the mortgage on a vacation or second

home or vacant piece of property. As with personal loans, you must report the debts at the highest amount owed during the reporting period. Note that unlike a rental or investment property, you are not required to list a personal residence as an asset on Schedule A.

4. **Revolving Charge Accounts** (credit cards). You must report an amount owed on a credit card account only if the balance on that card exceeded \$10,000 at the end of the reporting period, regardless of the balance owed on the card at any other point during the period.

Do not total the balances on different accounts. You must list an account only if you owed more than \$10,000 on that particular account at the end of the reporting period.

Example 1: You owed \$20,000 on your American Express card every month from January through November, but in early December you made an \$11,000 payment. Because you owed only \$9,000 on the card on December 31 (the end of the reporting period for an annual report), you do not have to report that account on Schedule D.

Example 2: At the end of the reporting period, you owed \$8,000 each on your Visa, MasterCard, and American Express charge accounts. Because the balance on each card was less than \$10,000, you do not have to report any of the accounts on Schedule D.

5. **Margin Accounts.** You must report any margin account personally held by you, your spouse, or your dependent child in which the account holder borrowed more than \$10,000 *at any point* during the reporting period. You must report the margin loan at the highest amount owed during the period. Thus, a margin loan that had over \$10,000 outstanding at some point in the year, but was paid off or paid below that amount, must be listed. (You are free to include additional information, such as the fact that the margin loan was satisfied during the year.)

### Reportable Debts

You must report the following debts of you, your spouse, or your dependent child if they totaled more than \$10,000 at any point during the reporting period.

- Personal loans.
- Student loans.
- Mortgages on rental property or property held for investment purposes or the production of income. Candidates, officers, and employees do not have to report mortgages on property that serves solely as a personal residence or vacation home and does not generate any income.

- **MEMBERS ONLY:** Mortgages and home equity loans on personal residences.
- Loans or debts on which you are a co-signer.
- Liabilities of a business *if* you are personally liable for the debt.
- Margin accounts.

You must also report the following debts owed by you, your spouse, or your dependent child if the amount owed exceeded \$10,000 at the end of the reporting period.

- Revolving charge accounts (credit cards).

#### Exclusions

You do not have to report the following on Schedule D, regardless of their dollar value:

- Car loans, if the loan amount does not exceed the purchase price of the item that secures it. Loans on other types of motor vehicles, such as motorcycles, boats, and airplanes are excluded under the same condition.
- Liabilities owed to certain relatives. You do not have to report loans you received from your spouse, or the parent, brother, sister, or child of you or your spouse.
- **CANDIDATES, OFFICERS, AND EMPLOYEES ONLY:** Mortgages and home equity loans on a personal residence, as long as the property is not used for rental purposes. This includes loans secured by a secondary residence or vacation home, as long as it does not generate rental income.
- Contingent liabilities, such as that of a guarantor, endorser, or surety. You may, however, need to list the position on Schedule E.
- Liabilities of a business in which you have an interest *unless* you are personally liable for the debt. This includes mortgages on rental or investment property held in a partnership or limited liability company.
- Loans secured by the cash value of a life insurance policy.
- Taxes owed to the IRS or a state or local government.
- Loans secured by household furniture or appliances, if the loan amount does not exceed the purchase price of the item that secures it.
- Professional fees (such as legal or medical fees) that you incur and are paying on a regular basis. However, fees of this kind that remain unpaid for a prolonged period, thus resulting in a debtor-creditor relationship, must be disclosed.

#### Column-by-Column Instructions for Schedule D on the Paper Form

SP/DC/JT. In the far left column, you may indicate that a debt is that of your spouse (SP), dependent child (DC), or jointly-held with your spouse, child, or other individual (JT). Use of this column is optional, but if you choose to use it, be consistent from year to year.

**Creditor.** All information regarding a single creditor may be reported on a single line. If you have more than one liability owed to the same creditor, add up the loans to determine if the \$10,000 threshold has been met.

The identity of the creditor is the name of the person or organization to which the liability is owed. If the lender is an individual or a regional lender, also indicate the city and state. (e.g., "Jane Jones, Miami, Florida;" "Main Street Bank, Columbus, Missouri;" "Citibank").

**Date.** Provide the month and year that the liability was incurred (e.g., the date you signed the loan documents). Failure to provide a date that a liability was incurred is a common error. For revolving charge accounts, please list the month and year at the end of the reporting period (December 2014 for annual filers). If you are combining multiple debts from a single lender, provide the date for the first debt you incurred. For example, if you took out multiple student loans from the same lender while in college, you may list the loans under one entry, and should provide the date you took out the first loan.

**Type of Liability.** Examples are "personal loan," "business loan," "demand note," "margin account," and "mortgage on rental property." When you have several of the same type of loan, you must provide information to differentiate the debts from each other. For example, if you show only one rental property as an asset, "mortgage on rental property" is sufficient. If, on the other hand, you have multiple rental properties, state the property to which each obligation relates, together with the type of liability (e.g., "Mortgage on Rental Property 1, Dover, DE"). For investment/rental properties, the description of the property on Schedule D must match the description of the property on Schedule A.

**For Members Only:** For your personal residence, examples include "mortgage on personal residence, Washington, DC (not rented)" and "mortgage on vacation home, Hilton Head, SC (not rented)." For any personal residence that has rental income, you are also required to list the property on Schedule A and provide the amount of the rental income, but you are otherwise not required to list a personal residence as an asset on Schedule A.

Amount of Liability. As explained above, for all debts except credit cards, report the liability at the highest value owed during the reporting period. For credit cards, report the category of value owed at the end of the reporting period.

For liabilities over \$1,000,000 in value that are held solely by your spouse or dependent child, you may mark the "Spouse/DC Liability over \$1,000,000" column. For items that you hold either singly or jointly with your spouse or dependent child, you must mark the other higher categories of value as appropriate.

## SCHEDULE E POSITIONS

You must report on Schedule E any nonfederal positions (whether or not compensated) you held with organizations. Annual, new Member, second-year candidate, and termination filers must report positions held at any time during the reporting period up to the date of filing. First-year candidate and new employee filers must report positions held at any time during the current calendar year up to the date of filing, plus the *two* prior calendar years. If you no longer hold the position, you may wish to indicate that fact parenthetically, but you still must report the position.

You must report only positions held by you, not those held by your spouse or dependent child.

### Reportable Positions

The EIGA lists specific positions that must be reported if held with specific types of organizations, regardless of whether or not compensation was received.

The reportable positions are:

- officer
- director
- trustee
- partner
- proprietor
- representative
- employee, and
- consultant.

The reportable entities and organizations are:

- corporations
- companies
- fiTms
- partnerships
- limited liability companies
- any other type of business enterprise
- nonprofit organizations

- labor organizations
- educational institutions, and
- any institution other than the United States.

The types of entities or organizations for which a filer must disclose a reportable position include LLCs, neighborhood or building associations, and state or local governments, among others. Also, please note that these designated positions are not the same as titles and, therefore, a functional position which carries a different title may still need to be reported. For example, a "member" of a limited liability company (LLC) is generally a proprietor of that business and a "manager" of an LLC is often an officer. A filer who has a question as to whether a particular position should be reported must contact the Committee.

### Exclusions

You do not have to report on Schedule E any position:

- Held in a religious, social, or fraternal organization.
- Of an honorary nature.
- With political parties or campaign organizations.
- As a trustee or executor, *unless* it was for an organization (rather than, for example, a family member).
- Already reported on Schedule C.

### Note Regarding Compensation

In general, Members, officers, and employees paid at the senior staff rate may not be compensated for serving as an officer or board member of a corporation, association, or other entity. Thus, if you served as an unpaid member or officer of an entity, you may wish to indicate that fact parenthetically in your entry.

However, such income is permitted in certain limited circumstances. If you are permitted to receive such income, you are not required to report the amount of any salary or payment you receive on Schedule H, but you must report that income on Schedule C if it was \$200 or more.

Note that any travel totaling more than \$375 provided by an organization for purposes such as attending meetings must be reported on Schedule H.

## SCHEDULE F AGREEMENTS

You must report on Schedule F the parties to and general terms of the following types of agreements:

1. With your future employer:
  - Regarding your future employment following your departure from employment by the House. You must list the employer, position title, and starting date, but not the compensation.
2. For a leave of absence during your period of government service.
3. With your former employer:
  - For any employer other than the U.S. government, for your continued participation in a benefit program, such as life or health insurance, 401(k), or a pension or profit-sharing plan.
  - For all types of employers, continuing compensation payments, such as a buyout agreement, severance payments, or payments not yet received for previous work.

### Exclusions

You do not have to list on Schedule F any agreements:

- Entered into by your spouse or dependent child (and not you).
- For continued benefits from your prior employment by the U.S. government.

## SCHEDULE G GIFTS

*This schedule must be completed by annual and termination filers only.* Schedule G requires filers to report gifts of a certain dollar value that were accepted by the filer, or in some cases by a relative of the filer, during the reporting period covered by the FD Statement.

House Rule 25, clause 5 (the House "gift rule") substantially limits the ability of House Members, officers, and employees to accept gifts. The text of the gift rule is reprinted in Appendix C of this booklet, and explanatory materials on the rule are contained in the *House Ethics Manual*.

Despite the gift rule's limitations on the acceptance of gifts, House Members, officers, and employees may accept a number of gifts that must be reported on the Statement.

The EIGA requires filers to report any gifts received during the reporting period from a sm

gle donor, other than a relative, that total more than "minimal value." For 2014, "minimal value" is \$375. However, any single gift valued at less than \$150 need not be counted against the \$375 reporting threshold.

You, your spouse, and your children do not have separate \$375 reporting limits. Thus, if you, your spouse, and a dependent child each receive gifts from the same source, the value of those gifts would be totaled to determine if the reporting threshold has been met. The only exception is if your spouse or dependent child receives gifts totally independent of their relationship to you as a Member, officer, or House employee.

Example 1: You received a \$120 gift and a \$250 item from the same source. Neither item would have to be disclosed, since the \$120 gift falls below the \$150 aggregation threshold and the remaining item is valued at less than \$375.

Example 2: You and your spouse each received \$200 items from the same source. The gifts together total \$400 in value and therefore must be reported.

Example 3: Your wife received a \$450 watch as a birthday present from her best friend, who has no official business before the House. The gift need not be reported because it was given independent of your House employment.

### Reportable Gifts

Gifts valued over the \$375 reporting threshold that must be reported on Schedule G include the following:

- Gifts of personal friendship. This includes gifts of travel paid for under this exception. Note, however, that the gift rule prohibits the acceptance of a gift of personal friendship valued at more than \$250 unless the recipient receives written permission from the Committee that the gift is acceptable under that provision of the gift rule. Reportable personal friendship gifts include gifts of nonbusiness travel paid for by a personal friend.
- Commemorative items.
- Gambling or lottery winnings.
- Scholarships.
- Donations to a Legal Expense Fund.
- Member-to-Member, Member-to-staff, and staff-to-staff gifts.
- Tickets or admission to a charity event, if the non-tax-deductible portion exceeds \$375.

In disclosing a gift, you must report the source, briefly describe the gift, and state its value. If you do not know the exact value of a gift, you may use a good-faith estimate of its fair market value (which may be different from its cost to the donor). A group of items received from the same source at the same time are considered one gift and the total value should be added together.

#### Exclusions

You do not have to report the following gifts on Schedule G, regardless of their dollar value:

- Gifts from relatives. Under the EIGA, the term "relative" means an individual who is related to you as your father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of your spouse. Your fiancée/fiancee is deemed to be a relative under the gift rule.
- Gifts of personal hospitality. These gifts are food, lodging, and entertainment extended for a nonbusiness purpose by an individual, not a corporation or organization, at the personal residence of, or on property or facilities owned by, that individual or his or her family.

The personal hospitality exemption is limited. It does not extend to hotel lodging or to air travel to get to the location where the hospitality is provided. The host may not take a tax deduction for the costs of the hospitality provided, may not be reimbursed by another source for the expenses of the hospitality, and may not be a federally-registered lobbyist or registered foreign agent. In addition, the property may not generate any rental income.

- Bequests or inheritances.
- Items paid for by a federal, state, or local government. This exclusion covers gifts of food, lodging, transportation, entertainment, and tangible items paid for entirely by any federal, state, or local government entity.
- Local food or meals. This means food and beverages that are not consumed in connection with a gift of overnight lodging.

- Items received prior to your employment by the House.
- Tickets to widely attended or political events. However, the tickets must be acceptable under a provision of the gift rule.

### SCHEDULE H TRAVEL PAYMENTS AND REIMBURSEMENTS

*This schedule must be completed by annual and termination filers only.* Schedule H requires filers to report travel over a certain dollar value accepted from private and foreign government sources during the reporting period covered by the FD Statement.

The EIGA requires filers to report any trips taken by the filer for which the filer's trip expenses for food, transportation, and lodging totaled more than \$375 and were paid by a source other than a federal, state, or local government or a relative.

All travel, food, and lodging expenses received from one source in a reporting period must be counted in determining if the total exceeds \$375. Unlike the treatment of gifts, there is no \$150 minimum threshold for counting travel reimbursements. Thus, if you received airfare and lodging worth \$280 on one occasion from one source, and on a separate occasion received lodging worth \$100 from that same source, you must report both events.

You must report travel paid for by a private source, regardless of whether it was taken in connection with your House employment or otherwise. You must report travel regardless of whether it was paid on your behalf directly or was reimbursed to you.

You must report the identity of the trip sponsor; the dates of the trip; the cities of departure, destination, and return; whether you were accompanied by a family member; and whether you were provided food and lodging. You are not required to report on Schedule H the cost of any travel.

You do not have to report any travel taken solely by your spouse or dependent children, without you. However, you may be required to report travel in which you accompanied your spouse on travel related to your spouse's employment or activities.

The types of travel that must be reported on Schedule H are described immediately below under "Reportable Trips."

#### Reportable Trips

The following four types of trips must be reported on Schedule H if your expenses for transportation, food, and lodging totaled more

than \$375 from the sponsor during the reporting period. You must report travel that was paid for by a –

- 1) Private source in connection with your official duties. This type of travel must be pre-approved, in writing, by the Ethics Committee, and the actual dollar amount of the travel also must be disclosed to the Clerk within 15 days of your return from travel. Privately-sponsored travel is also disclosed on the Clerk's Web site, [www.clerk.house.gov](http://www.clerk.house.gov), under the "Public Disclosure" tab.
- 2) Private source in connection with the outside business or other activities of the filer or the filer's spouse (if the filer travels with the spouse).
- 3) Non-federal political organization for travel in connection with a campaign or fundraising event.
- 4) Nonprofit group in connection with your attendance at its charity fundraising event.
- 5) Foreign government under the Mutual Educational and Cultural Exchange Act (MECEA) (22 U.S.C. § 2458a).

#### Exclusions

You do not have to report on Schedule H, regardless of its dollar value, travel:

- Paid for by relatives. Under the EIGA, the term "relative" means an individual who is related to you as your father, mother, son, daughter, brother, sister, uncle, aunt, great aunt, great uncle, first cousin, nephew, niece, husband, wife, grandfather, grandmother, grandson, granddaughter, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, stepfather, stepmother, stepson, stepdaughter, stepbrother, stepsister, half brother, half sister, or who is the grandfather or grandmother of your spouse. Your fiancé/fiancée is deemed to be a relative under the gift rule.
- Paid for by a federal, state, or local government. You do not have to report any travel paid for by House funds, including funds of a committee or a Member's personal office. You also do not have to report any travel paid for by a federal government entity, such as a federal agency. Travel paid

for by the general funds of a public university need not be reported.

- Taken by only your spouse or dependent children, provided it was taken totally independent of their relationship to you as a Member, officer, or employee of the House.
- Provided by a foreign government that is separately reportable pursuant to the Foreign Gifts and Decorations Act (5 U.S.C. § 7342).
- Taken prior to becoming a Member or House employee.
- Paid for by a federal political organization for travel in connection with a campaign or fundraising event, if reported as an expense to the Federal Election Commission.

#### Column-By-Column Instructions for Schedule H on the Paper Form

In disclosing travel on your FD Statement, it is not necessary to indicate the dollar value or provide an itemized accounting of the expenses provided. Only the name of the organization providing the travel, together with the dates of travel and a brief description of the itinerary and nature of expenses, is required. Schedule H includes six columns prompting disclosure of the necessary information.

**Source.** Provide the name of the sponsor or organization that *actually paid for or provided the travel* in the first column of Schedule H. For example, "XYZ Trade Association" or "International Visitors Board." There may be more than one sponsor for a particular trip. For MECEA trips, the sponsoring entity is the government of the host country, or an agency or department thereof.

You may wish to indicate parenthetically the type of trip, (*e.g.*, "MegaCorp (in connection with spouse's employment)" or "Embassy of France (MECEA)").

**Date(s).** The inclusive dates of all travel are required by statute. If all of the travel occurred on one date, state that date. Otherwise, list the starting and ending dates of each trip in the second column, *i.e.*, the first day on which any travel was accepted and the last day on which any travel was accepted.

**Itinerary.** State the starting point, destination(s), and return location in the third column of Schedule H. List the city and state or country, not the airport name.

Nature of Expenses Accepted. Indicate in the fourth and fifth columns whether lodging and food was included. In the sixth column, indicate if travel or travel expenses were accepted to permit a family member to accompany you. Answer "no" in this column if a relative accompanied you at your own expense, rather than being paid for by the trip sponsor.

## SCHEDULE I PAYMENTS MADE TO CHARITY IN LIEU OF HONORARIA

*This schedule must be completed by annual and termination filers only.* Filers must report on Schedule I any payments aggregating to \$200 or more from a single source that were made to charity in lieu of being paid as an honorarium to the filer.

Members, officers, and employees paid at or above the "senior staff" rate (\$120,749 in 2014, \$121,956 in 2015) for more than 90 days in a calendar year are prohibited by both federal law and House rules from receiving honoraria, which are payments for speeches, appearances, and articles.

Even under this prohibition, payments in lieu of honoraria may be made to qualified charities by sponsors of speeches, appearances, and articles, subject to the following four conditions:

1. The benefitting organization must be a § 501(c)(3) nonprofit entity;
2. The payments must be made directly by the sponsor of an event to the charity; the Member, officer, or employee may not serve as intermediary;
3. There is a \$2,000 limit that may be directed to charity for any one speech, appearance, or article; *and*
4. There may be no financial benefit to the Member, officer, or employee, or to a parent, sibling, spouse, child, or dependent relative of that individual from the benefitting charity.

### How to Complete Schedule I

A Schedule I entry has two parts:

1. Schedule I, which is submitted to the Clerk as part of the completed financial disclosure form; and
2. A confidential list of recipient charities, which is submitted directly to the Ethics Committee.

Details on how to complete each part are provided below.

**Part 1: Schedule I.** Filers should complete Schedule I and include it as part of their

completed FD Statement filed with the Clerk of the House.

On Schedule I, filers must list under "source" the sponsor of each event for which a payment was made to charity in lieu of an honorarium being paid to the filer. The type of activity—i.e., speech, appearance, or article—must be identified, as well as the date and dollar amount of the payment. The date will either be the date of a speaking engagement or appearance or, in the case of an article, the date the payment was made.

The Schedule I page does not require the filer to list the name of any charity that received a payment in lieu of an honorarium. Instead, the filer provides that information on a confidential list submitted directly to the Committee, as explained below.

Payments made by a federal lobbyist or foreign agent have an additional reporting requirement, as explained later in this section.

**Part 2: Confidential List of Recipient Charities.** In addition to filling out Schedule I, a filer must also submit to the Ethics Committee a confidential list of the charities receiving the payments, including the dates and amounts of such payments.

The Committee has not prepared a separate method for the reporting of charities that received payments in lieu of honoraria. Instead, you are free to use any format that is compatible with your personal record-keeping. The report should include your name, the year, the names of each charity known to have received payments because of speeches, appearances, and articles, the amount, the entity making the payment to charity, and the date of the event or the date the payment was made or requested (the same date as on the public Statement). If you file using the electronic filing system, you must submit the list in the "Comments" section. You can choose to make the section either public or private. If you are filing on paper, the easiest method is to photocopy your Schedule I page and add the names of the recipient charities.

The Committee recognizes that you may not always know that a charity has received a payment. For example, you may have requested that a payment be made, but did not receive confirmation that the request was honored. Or, you may have a policy of suggesting that the sponsor of an event choose from among several charities, but not know which organization was the actual recipient. If you have requested that a payment be made to charity, then the sponsor, date, and amount should be disclosed on your public report. If you do not know whether a charity received the payment, simply indicate in the confidential report what request was made of

the sponsor (*i.e.*, the names of the charities), but state that you do not know which charity received the payment, or whether the requested payment was made.

The Committee has green envelopes to use for submitting the confidential report. These envelopes may be obtained at the Committee's office in 1015 Longworth House Office Building. Alternatively, filers may use their own envelopes. Indicate on the envelope your name, the year, and state and district (if a Member) or employing office (if an officer or employee). If you use a plain envelope rather than a green one, please also indicate on the front that it is your "green envelope" or your confidential list of charities.

After enclosing the confidential report, seal the envelope and send it directly to the Committee on Ethics, 508 Ford House Office Building, Washington, DC 20515.

The Committee will retain the envelope in its files. It will be opened only if the Committee determines that examination of the information is essential to an investigation by the Committee.

#### Special Requirement for Payments from Federal Lobbyists or Foreign Agents

The House gift rule (House Rule 25, clause 5) imposes an additional requirement regarding the reporting of charitable contributions in lieu of honoraria where the charitable contribution is made by a registered lobbyist or an agent of a foreign principal (registered under the Foreign Agents Registration Act). When the contribution is from either of these sources, the House Member, officer, or employee who recommended or designated the recipient charity must file a report with the Clerk of the House within 30 days.

This reporting requirement-which applies *only* where the donor is a registered lobbyist or foreign agent-is *in addition to* the requirement for the reporting of the payments on your FD Statement. The text of the gift rule appears as Appendix C to these instructions, and the provision that addresses charitable contributions in lieu of honoraria is clause 5(d)(2) of House Rule 25.

#### Exclusions

You do not need to report the following on Schedule I:

- Honoraria earned by your spouse. However, the source and amount of these payments must be reported on Schedule C as earned income.
- Honoraria earned by your dependent children.

*For examples of how to report payments made to charity in lieu of honoraria, refer to the sample Form A FD Statement at page SF-1.*

### SCHEDULE J COMPENSATION IN EXCESS OF \$5,000 PAID BY ONE SOURCE

*This schedule must be completed by New Member, new employee, and candidate filers only. If you were employed in a position in which you personally performed services for clients in either of the two preceding calendar years that generated fees for your employer in excess of \$5,000, you must identify each of those clients. This requirement applies only if you have an ownership interest in the employer. For example, if you were a partner or member (but not an associate) of a law firm, accounting firm, or lobbying firm, you must disclose the clients or customers of your firm to whom you *personally* provided services which generated fees in excess of \$5,000. The clients or customers of a filer who was the sole proprietor of a business or other professional practice must also be disclosed in the same manner.*

In identifying the clients or customers, you must provide the name and location (city and state) of the individual or company for which you performed the services. You must also describe the nature of the services generating the compensation. This may be in general terms such as "legal services." It is not necessary to elaborate further on the type of legal services or to indicate a proceeding to which the services related.

#### Exclusions

You do not have to disclose the following information on Schedule J:

- Earned income from your employment that you reported on Schedule C.
- Compensation for work you performed for the United States government.
- The amount of the compensation received for your services.
- Information regarding your spouse or dependent children.

In addition, you do not have to disclose the names of clients whose identities are prohibited from disclosure as a result of a:

- State bar rule provision.
- Confidentiality agreement entered into with the client at the time your services were retained.
- Court order.

- Grand jury investigation or other non-public investigation for which there are no public filings.

If you are not disclosing your clients for any of these reasons, you must still check "Yes" to Question J on the "Preliminary Information" page. You must then indicate on Schedule J that "certain confidential clients are not reported" and state the specific reason for the nondisclosure (such as a cite to the specific bar rule of the state in which disclosure of client identities is not permitted).

### **BEFORE FILING**

If filing using the paper form, before filing please double check to make certain that the following have been done:

- Each required question on the Preliminary Information Page has been answered "YES" or "NO" by marking the appropriate box.
  - You have attached the proper, completed schedule for each question to which you answered "YES" on the Preliminary Information Page.
- The Signature and Certification Page has been signed and dated.
  - The correct number of forms have been prepared (Members and candidates file an original and *two* photocopies; officers and employees file an original and *one* photocopy).

## FD STATEMENT SCHEDULE COMPARISON CHART

Information Reported	Current FD Schedules	Form A <sup>1</sup> (Prior to 111114)	Form B <sup>2</sup> (Prior to 111114)
Assets and "unearned" income	Schedule A	Schedule III	Schedule II
Transactions	Schedule B	Schedule IV	<i>NIA</i>
Earned income	Schedule C	Schedule I	Schedule I
Liabilities	Schedule D	Schedule V	Schedule III
Positions	Schedule E	Schedule VIII	Schedule IV
Agreements	Schedule F	Schedule IX	Schedule V
Gifts	Schedule G	Schedule VI	<i>NIA</i>
Travel	Schedule H	Schedule VII	<i>NIA</i>
Payments made to charity in lieu of honoraria	Schedule I	Schedule II	<i>NIA</i>
Compensation in excess of \$5,000	Schedule J	<i>NIA</i>	Schedule VI

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<sup>1</sup> Used by annual and termination filers.

<sup>2</sup> Used by candidate and new employee filers.

## PERIODIC TRANSACTION REPORTS

The following sections provide detailed guidance regarding the Periodic Transaction Reports to be filed by Members, officers, and certain employees of the legislative branch. Examples are provided throughout the instruction booklet, on the PTR form itself, and in a sample completed form that can be found at page SF-25. The examples are included in an effort to provide as much guidance as possible to reporting individuals.

You may file a PTR by using either the electronic filing system or a paper form. If you use the electronic filing system, the program will retain the transaction information and allow you to transfer it to your annual or termination FD Statement. If you chose to file using the PDF available on the Committee's Web site, [www.ethics.house.gov](http://www.ethics.house.gov), only the necessary pages should be filed. At the top of each page, indicate your name, the page number, and total pages in the filing.

*Note: If you, your spouse, or your dependent child do not have reportable transactions, no periodic report is required (although some transactions may be reportable on your annual FD).*

### Transactions Required to be Reported

In general, you must report on a PTR each purchase, sale, or exchange involving stocks, bonds, commodities, futures, or other securities owned wholly or in part by you, your spouse, or your dependent child when the amount of the transaction exceeds \$1,000. For sales transactions, the \$1,000 threshold is based on the total dollar value of the transaction, not your gain or loss made on the sale. Note that PTRs require that fewer transactions be disclosed than are required on the annual FD Statement.

*Purchase transactions* that must be disclosed include:

- Individual purchases involving an asset listed above in which the transaction amount exceeds \$1,000; or
- Reinvestment of income (such as dividends or interest) in a reportable asset in which the amount of the reinvestment transaction exceeds \$1,000.

*Sales transactions* that must be disclosed are:

- Individual sales involving an asset in which the transaction amount exceeds \$1,000.

*Exchange transactions* are somewhat rare and refer only to a limited set of circumstances that involves the exchange of stock certificates following the purchase of one company by another, a merger of two companies, or a spin-off of one company from another. Please consult with Committee staff for further guidance.

You are not required to report on a PTR any transactions in an Excepted Investment Fund (EIF). For a detailed discussion of the EIF requirements, see page 15. As a result of the EIF exemption, transactions in publicly traded funds (mutual funds or exchange traded funds) are not required to be disclosed on a PTR. Examples of assets for which transaction reports would not be required include, but are not limited to, the Vanguard Energy Fund (sector mutual fund), Fidelity Contrafund (mutual fund), T. Rowe Price High Yield Fund (mutual fund), SPDR S&P 500 (ETF), iShares S&P Target Date 2045 Index Fund (ETF), iShares S&P Europe 350 Index Fund (geographic ETF), and VEST Potomac Portfolio (Virginia 529). However, transactions in these funds must still be disclosed on the filer's annual FD Statement if they meet the \$1,000 threshold.

If you own an investment fund that does not qualify as an EIF, you must report on a PTR any investment you make in the fund that increases your percentage of ownership in the fund. In addition, you must either file a PTR for each securities transaction made by the fund if your, your spouse's, or your dependent child's interest in the transaction is more than \$1,000, or submit to the Committee the letters discussed on page 17.

*Purchase and sales transactions involving assets held within managed accounts, brokerage accounts, and retirement accounts, such as 401(k) plans and IRAs, must be disclosed.* For example, if you have a 401(k) plan and direct the plan administrator to sell or purchase stocks, bonds, or other securities, you must separately disclose on a PTR each of these transactions valued over \$1,000. Transfers between currently-held assets within these accounts are also considered purchases and sales transactions for financial disclosure purposes. These types of transfers

are commonly referred to as reallocation or rebalancing of funds.

The reporting threshold for disclosure of transactions is reached when the *gross* amount of a single purchase or sales transaction exceeds \$1,000. *This includes transactions that result in a net loss.* Thus, a sales transaction of an asset for \$5,000 for which you previously paid \$7,000 must be disclosed even though it resulted in a \$2,000 net loss.

**Partnership Transactions.** You are only required to disclose transactions related to the ownership interests in partnerships and limited liability companies that were formed for the purpose of holding investments. If, for example, you are a partner in a limited partnership that transacted in five stocks, you must separately disclose each transaction for which your interest exceeds \$1,000.

#### Exclusions

The following transactions are not required to be disclosed on a PTR:

- Any transaction in real property;
- The purchase or sale of any widely held investment fund that is either publicly traded or widely diversified and is not controlled by the filer;
- Any transaction in a mutual fund or Exchange Traded Fund (ETF);
- Any transactions solely by and between you, your spouse, or your dependent child;
- Any transaction in a federal retirement program, such as the Thrift Savings Plan (TSP);
- Stock splits;
- Bequests or inheritances;
- The opening or closing of bank or similar accounts (such as money market funds), or deposits or withdrawals from a bank account);
- The purchase or sale of certificates of deposit; and
- The rollover of assets from one retirement account to another.

*Note: You may still be required to report some of these transactions on your annual FD Statement.*

#### Signature and Certification

Provide your full name, telephone number, and address in the space provided on the signature page. You may use your office address and telephone number. Also indicate your filer status as a Member or officer/employee of the House. If you file the paper form, the signature and certification page **WILL NOT** be made available to the public. If you file electronically, no such page is created.

You must sign and date the PTR either on paper or electronically after completing it. By your signature, you are certifying that the report is accurate and complete to the best of your knowledge and belief. This page must be signed by you *persona. Uy*, not by someone acting on your behalf, even if someone else prepared or assisted you in completing the Report.

*Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file, a required PTR may be subject to incarceration and/or a fine pursuant to 5 U.S.C. app. 4 § 104, and criminal sanctions under 18 U.S.C. § 1001.*

#### Preliminary Information

At the top of the paper form is a block in which you must indicate your name, telephone number, filer status, employing office, and report type. Print your first and last names. Use your daytime or office telephone number so that Committee staff will be able to contact you if questions arise during the review process.

Next check the box indicating your filer status as either a Member or as an officer or employee. Members must also identify the state and congressional district they represent. An officer or employee should state the name of the Member, committee, or office by which the filer is employed. Employees of a Member's personal office should state the Member's name, not the state and district the Member represents.

You must also check one of the two boxes indicating the type of report that is being filed: 1) Initial Report; or 2) Amendment. For an Amendment, indicate the date of the report that you are amending.

**IPO Check Box:** You must indicate whether you purchased any shares that were allocated as part of an Initial Public Offering by checking the appropriate box. If you answer yes to this question, please contact the Committee before filing.

## Column-By-Column Instructions for a PTR on the Paper Form

**SP/DC/JT Ownership Column.** You may, *but are not required to*, indicate that a transaction involves an asset that is held by your spouse or dependent child, or is jointly held, by including an "SP" for spouse, "DC" for dependent child, or "JT" for jointly held property. If you use these distinctions on your annual FD Statement, please use them on your PTR.

**Asset Column.** Provide the complete name of the asset for which a reportable transaction has occurred. Do not use ticker symbols. For options, please include the name of the security, strike price, expiration date, and if applicable, indicate if it is a put or a call.

**Type of Transaction Column.** Indicate the type of transaction (purchase, sale, or exchange) by placing an "X" in the appropriate box.

**Date of Transaction Column.** Indicate the month, day, and year of the transaction. For securities, the transaction date is generally the date the security was traded.

**Date Notified of Transaction Column.** Indicate the month, day, and year that you were notified of the transaction. If you executed the trade yourself, in most cases this will be the transaction date.

**Amount of Transaction Column.** Report the category of value of the total purchase price or total sales price (or the fair market value in the case of an exchange) of the transaction. As explained above, use the *gross* amount of a transaction to determine in which category of amount to disclose a transaction. The extent of any capital gain or loss on the transaction is irrelevant for the purposes of determining the transaction amount. The column "Transaction in a Spouse or Dependent Child Asset over \$1,000,000" should only be used for assets that are owned by your spouse or dependent child, in which you have no interest.

## WAIVERS AND EXCLUSIONS FROM THE PTR REQUIREMENT

Section 6 of the STOCK Act requires the filing of PTRs "subject to any waivers and exclusions." As a result, any House employee who receives a filing waiver under section IOI(i) of the EIGA is not required to file PTRs. In addition, PTRs are not required to be filed for transactions in a "Qualified Blind Trust" as de-

defined in section 102(f)(3) of the EIGA or an "excepted trust" as defined in EIGA section 102(f)(2)(B). An excepted trust is a trust (1) which was not created by the filer, or by the filer's spouse or dependent child; and (2) for which neither the filer nor the filer's spouse or dependent child have any knowledge of the contents.

Some filers, filers' spouses, and dependent children may be the beneficiary of trusts (or other financial arrangements) that do not meet the above criteria because the filer, filer's spouse, or dependent child does receive reports on the contents of the trust. However, some trust beneficiaries are entitled, under the terms of the trust or state law, to receive such reports only on a quarterly or annual basis, rather than monthly. In such circumstances, the Committee may also waive the PTR filing requirement for such trusts or other financial arrangements on a *case-by-case basis*. To qualify for such a waiver, you must meet the following criteria:

1. You (the filer), your spouse, or dependent child must have a beneficial interest in a trust or some other financial arrangement;
2. If it is a trust, the trust was not established by you, your spouse, or dependent child (or you, your spouse, or dependent child jointly with another person);
3. You, your spouse, and dependent child do not have the power to direct the investments of the trust or other financial arrangement; and
4. You, your spouse, and dependent child are not entitled by law or contract (including trust documents) to receive statements on a monthly (or more frequent) basis.

With regard to item 1, the types of non-trust financial arrangements that will qualify for this waiver are very limited. With regard to item 3, whether you, your spouse, or dependent child have the authority or discretion to direct, *even if not exercised*, the investments of a trust or other investment vehicle is construed broadly by the Committee when making waiver determinations. The power to direct includes, but is not limited to, the ability to select the investments among a variety of investment options, the ability to allocate the percentage of your contributions among your designated investment options, the ability to move funds among and between your designated investment options (or select new ones), and the ability to place a certain investment option "off limits."

To receive a PTR filing waiver for such a trust or other investment vehicle, you must seek written approval of the Committee. Any such request must include a letter from the trust or (or representative of the investment company) attesting that (1) you, your spouse, or dependent child do not have power to direct the investments of the trust or account, and (2) under state law, the trust agreement, or some other legal authority, you, your spouse, or dependent child are entitled to reports only on a quarterly, annual, or other, less-than-monthly basis. A waiver request must also contain a certification by you, or by the trustee or financial institution, that the trust was not created by you, your spouse, or your dependent child.

The Committee's letter granting you a waiver will be placed in the public record by the Clerk of the House. This waiver would apply only to the filing of PTRs; the transaction information will still be required on your annual FD Statement.

## DISCLOSURE REQUIREMENT FOR SELECTED ASSETS

Asset	Report on PTR1	Report on FD Sch. BZ	Report on FD Sch. A3	Do Not Report
Stocks	X	X	X	
Bonds	X	X	X	
TSP Contributions				X
U.S. Treasury Bonds	X	X	X	
Mutual Funds		X	X	
ETFs		X	X	
REITs	Maybe <sup>4</sup>	X	X	
Options/Futures	X	X	X	
529 Prepaid Plans		X	X	
529 Portfolio/ Mutual Funds		X	X	
529 Stocks/Bonds	X	X	X	
Hedge/Private Equity Funds	Maybe <sup>5</sup>	X	X	
Bank Accounts/ Money Markets			X	
Life Insurance Policies and Annuities <sup>6</sup>	Maybe	Maybe	X	
Income-Producing Real Property		X	X	

<sup>1</sup> Reportable if the gross value of the transaction in the asset is more than \$1,000.

<sup>2</sup> Schedule B is the transaction schedule on the annual FD Statement. Reportable if the gross value of the transaction in an asset is over \$1,000.

<sup>a</sup> Schedule A is the assets and unearned income schedule on the annual FD Statement. Reportable if the asset is worth more than \$1,000 or generates unearned income of more than \$200.

<sup>4</sup> If the REIT is publicly traded, transactions in the REIT do not have to be reported on PTRs. If the REIT is private, transactions must be reported.

<sup>5</sup> Please consult factors outlined in the "Excluded Transactions" section on page 40.

<sup>6</sup> Transactions in assets within a variable annuity may be reportable if they are otherwise independently reportable. Transactions in fixed annuities and universal and whole life insurance policies are not reportable transactions.

